

FBIS

DAILY REPORT

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REVERSE EFFECTS OF LIBYAN RAID OUTWEIGH GAINS

OW232036 Beijing XINHUA in English 2016 GMT 23 Apr 86

["Round-up: U.S. Air Raid on Libya: More Losses Than Gains (by Bao Guangren and Li Yanning)" -- XINHUA headline]

[Text] Washington, April 22 (XINHUA) -- The United States launched a massive air raid on Libya, believing that it was a success. And yet the developments of the past week have demonstrated that the reverse effects of the attack greatly outweigh the gain it desires. The 11-minute attack has aroused strong protests and condemnation from most countries of the world except a few such as Britain and Israel. These countries, a number of U.S. allies included, lashed out at this surprise attack by a big power on a small nation as a violation of its territorial sovereignty. Anti-U.S. sentiments were found in many regions demanding "Yankees, Go Home".

The attack has also caused rift in the relations between the United States and its West European allies. U.S. warplanes had to fly 2,500 miles from Britain to Libya because they were rejected passage over the territorial space of France and Spain. U.S. President Ronald Reagan openly blamed France as an unworthy friend. British Prime Minister Margaret Thatcher, though lauded in the U.S. press as a "friend in need," found herself in a sea of accusations in her own country. Opinion polls conducted by "NEWSWEEK" showed that more than 60 percent of those contacted in Britain were not in favor of the attack. In the past few weeks the United States has continued to accuse this or that ally only to make the new wounds more difficult to heal.

The attack has further worsened U.S. relations with the Soviet Union which has called off the planned meeting of foreign ministers of the two countries in Washington next month. This has at least created more difficulties on the way to holding the U.S.-U.S.S.R. summit this year. The attack has estranged Arab countries further from the United States. Although these countries do not all share Libya's stance toward the United States and the Soviet Union, this wanton attack however will naturally bring the Arab governments and peoples together in condemning the United States, which of course will not help the United States in its rivalry with the Soviet Union in the Middle East. The "CHRISTIAN SCIENCE MONITOR" has pointed out that "the real, long-term net gainer from any American attack on any Arab is -- Moscow."

Reports have it that the United States had planned to kill Mu'ammar al-Qadhdhafi in the military operation, or at least encourage the opposition in the country to overthrow him in a coup. But the outcome, falling far short of U.S. expectations, has incited Libyans' national indignation and patriotic sentiments, precipitating the vicious circle of retaliation and counter-retaliation between the two countries.

Terrorist activities have continued unabated following the U.S. raid on Libya. At least six terrorist actions had been reported in a week after the raid: A kidnapped American and two Britons were killed in Lebanon in a "retaliation action"; an Irish woman carrying a bomb in her hand bag at Heathrow Airport in London attempted to set the explosive on an Israeli airliner; a staff member in the U.S. Embassy in Sudan was deadly shot and most of the staff members and their dependents had to be withdrawn afterwards; a truck loaded with explosives tried to run into the residence of the U.S. Ambassador in Peru; and the U.S. Consulate in Costa Rica was exploded. These incidents have forced the United States to tighten security in U.S. Embassies and Consulates elsewhere and U.S. embassy staff are "in a constant state of anxiety". In the United States, 80-90 percent of American tourists have cancelled their plans to travel to the Mediterranean and the Middle East.

Several big newspapers and companies in Washington have received phone calls these days, saying there would be "bomb explosions". At least 20 such calls were reported to the police in the capital the day after the raid, causing a terrifying effect. The Capitol, the Washington Monument and subway stations were once cordoned off on urgent notice, and people were dispersed from these areas for fear of bomb explosions.

The air raid on Libya is a violation of international law. It has further deteriorated the situation in the Mediterranean as well as the world at large. The loss outweighs the gain even in terms of the United States interests. In announcing the attack, President Ronald Reagan said, "We have done what we had to, and will do it again if necessary." But on the basis of the above analysis, one can draw the conclusion that since the action that is committed once is even overdone, how can that be done again?

U.S. REJECTS DISSOLVING WARSAW PACT, NATO

OW230914 Beijing XINHUA in English 0716 GMT 23 Apr 86

[Text] Washington, April 22 (XINHUA) -- The United States today virtually turned down a Soviet proposal for dissolving both the Warsaw Pact and the NATO Alliances. Soviet leader Mikhail Gorbachev Monday called for the "simultaneous dissolution of the Warsaw Pact and NATO or, at least for a start, their military organizations."

White House spokesman Larry Speakes yesterday declined to give a U.S. reaction to the proposal. When pressed for an answer at a regular news briefing today, Speakes said that he had nothing to say, adding, "It's nothing new," and it's "a familiar Soviet idea advanced over the years." He alleged that the source of tension in Europe "is not the existence of NATO, but rather the threat posed by the large, well-equipped, forward-deployed Soviet troops, and the Soviet military build-up, which is far in excess of any legitimate defensive needs."

"We believe that the key to reducing tensions, to meaningful arms control agreements, and more stable East-West relations is through serious proposals, negotiated confidentially and not through public press releases," Speakes said.

REAGAN DECIDES TO DISMANTLE TWO SUBMARINES

OW220750 Beijing XINHUA in English 0736 MT 22 Apr 86

[Text] Washington, April 21 (XINHUA) -- President Ronald Reagan has tentatively decided to dismantle two U.S. Poseidon submarines next month in order to keep the United States within the limits of the unratified Strategic Arms Limitation Treaty (SALT II). The ASSOCIATED PRESS today quoted an anonymous U.S. official as saying that the decision was made a month before a new Trident nuclear submarine, the USS Nevada, begins sea trials on May 20. The new Trident submarine, with its 24 international ballistic missiles, will push the United States over the ceiling of 1,200 missiles with multiple warheads set by the SALT II unless the two Poseidon submarines, each carrying 16 missiles, are dismantled under the terms of the treaty.

The proposal to dismantle the submarines, the USS Nathan Hale and the USS Nathanael Greene, was put forth by Secretary of State George Shultz and Special Representative for Arms Control Talks Paul Nitze during a meeting with the President last week. But most of the other senior advisers who attended the meeting urged Reagan to permit the U.S. total to surpass the ceiling because, according to them, the Soviet Union has violated the SALT II.

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The treaty was signed by former U.S. President Jimmy Carter and the last Soviet leader Leonid Brezhnev in 1979 in Vienna. However, the United States has never ratified it and it expired at the end of 1985. The official said that Reagan has also decided to send two special envoys to consult with leaders in Europe and Asia on the status of the treaty.

ZHU QIZHEN MEETS U.S. DISARMAMENT OFFICIAL

OW231530 Beijing XINHUA in English 1517 GMT 23 Apr 86

[Text] Beijing, April 23 (XINHUA) -- Zhu Qizhen, vice-minister of foreign affairs, met here this evening E. L. Rowney, special consultant to the President of the United States for disarmament, they exchanged views on disarmament. Rowney arrived here today as a guest of the U.S. Embassy in Beijing. He is scheduled to leave here tomorrow.

FANG YI, SONG JIAN MEET AMERICAN VISITORS

OW231222 Beijing XINHUA in English 1213 GMT 23 Apr 86

[Text] Beijing, April 23 (XINHUA) -- Chinese State Councillors Fang Yi and Song Jian met here this afternoon Erich Bloch, director of the United States National Science Foundation, and his party. During the meeting, they expressed satisfaction with the Sino-U.S. scientific cooperation in the past five years and hoped to expand this cooperation. Bloch and his party arrived here April 20 at the invitation of the Chinese Academy of Sciences. They signed with Chinese officials an agreement to extend the 1980 protocol between the two countries on cooperation in the basic sciences on Monday. The agreement provides that the two countries will further their cooperation in natural sciences, engineering and social sciences. The two countries have worked on 81 cooperation projects in these fields in the past five years.

CONGRESS URGES NO MISSILE SALES TO SAUDIS

OW240854 Beijing XINHUA in English 0843 GMT 24 Apr 86

[Text] Washington, April 23 (XINHUA) -- Both the U.S. Senate and House Foreign Relations Committees today adopted resolutions asking Congress to reject the White House proposal for more missile sales to Saudi Arabia. President Ronald Reagan has proposed to sell 354 million dollars worth of missiles to Saudi Arabia, which is about one-third of the 1.1 billion dollar arms deal the Saudis originally requested.

The delivery of the arms is to begin in 1989. The sales include 800 Stinger missiles, which are shoulder-fired ground-to-air weapons, and 1,066 Sidewinder air-to-air missiles and 100 Harpoon ship-to-ship missiles.

Opponents of the arms deal accused Saudi Arabia of supporting Syria and the Palestine Liberation Organization (PLO).

If both chambers of Congress pass resolutions as suggested by the two committees, President Reagan is expected to exercise his veto right. In that case, a two-thirds majority of each chamber would be needed to override Reagan's veto and limit the arms sale.

BEIJING COMMENTARY ON SOUTH KOREAN OPPOSITION

SK230510 Beijing International Service in Korean 1100 GMT 19 Apr 86

[Station commentary: "The Development of the South Korean Situation and Its Effects"]

[Text] Since February this year, the ruling and opposition parties in South Korea have been struggling in connection with the signature collection campaign for constitutional revision. Since this struggle is connected with the stability of the South Korean situation, it has aroused concern among people.

The signature collection campaign, initiated jointly by the NKDP, the South Korean opposition party, and the Council for Promotion of Democracy [CPD], an opposition organization, is a mass antigovernment demonstration which is being conducted in an organized and systematic manner.

The main purpose of this struggle is to revise the current constitution, changing the indirect presidential election system into direct elections through the people's popular vote and bringing an end to the present regime by obtaining the support of more than half the 20 million South Korean voters.

On 12 February some 200 opposition party leaders and democratic figures, including Yi Min-u, president of the NKDP, and Kim Tae-chung and Kim Yong-sam, cochairmen of the CPD, first signed their names in the signature book for the constitutional revision. In active support of this campaign, the constitutional revision campaign headquarters for democracy for the masses and for national reunification were inaugurated in some 10 universities in Seoul.

The South Korean authorities declared that this campaign is an illegal activity, placed under house arrest, arrested, and detained opposition party leaders and members under various pretexts, and even searched the office of the opposition party.

The authorities dispatched many policemen and, in surprise raids on 129 universities and colleges across the country, searched and confiscated many propaganda leaflets prepared by the students, and arrested some 200 students on charges of violating relevant laws.

The signature collection campaign for constitutional revision assumed great vigor in March. The NKDP inaugurated in Seoul the Seoul branch of the headquarters for the promotion of constitutional revision, and established a unified organization for democracy with four other opposition parties and organizations.

As the whirlwind of the campaign for constitutional revision spread throughout South Korea, rallies for the formation of the branch offices for the signature collection campaign were held in provincial areas such as Pusan, Kwangju, and Taegu with the participation of tens of thousands of residents. After the rallies, the South Korean people waged brave struggles against the police attempting to suppress them, holding up signs and chanting the slogans "Down With the Military Dictatorship," "Revise the Constitution," and "We Demand Democracy."

South Korean figures from all strata, especially religious organizations and the figures of religious circles, signed their names in support of the signature collection campaign for constitutional revision.

The South Korean National Council of Churches, consisting of six protestant congregations, on 17 March issued a statement supporting the signature collection campaign and calling for direct presidential elections through the people's popular vote.

Num Ik-hwan, a protestant minister who was detained in prison for a long period by the South Korean authorities, called for the termination of the Chon Tu-hwan military dictatorial regime at an early date. The Catholic Council for Justice and Peace of South Korea, in a 9-point statement issued recently, called for the freedom of speech and the press, democratization of the central and provincial governments, and an end to the violence and suppression against people holding different political views.

Developments in the Philippines also greatly encouraged the South Korean democratic forces. The South Korean authorities, facing heavy pressure, were very frightened. They raved that the South Korean political and economic situation is different from that of the Philippines, adopted an appeasement policy toward the opposition parties, saying that as long as the signature collection campaign is a peaceful demonstration they would acknowledge it as legitimate, decided to call off the house arrest and detention of the opposition leaders and to release some detained students, and decided to carry on a dialogue with the opposition parties.

Nevertheless, Chon Tu-hwan repeatedly raved that he had decided that constitutional revision and the plan for the so-called peaceful transfer of power [as heard] could be discussed after he stepped down from power in 1988 after his presidential term expires. He raved that the pledge for constitutional revision will be made by the presidential candidate of the ruling party.

We ought to pay attention to the fact that in an attempt to bring stability to the current situation, the South Korean authorities are conducting massive pro-U.S. propaganda, augmenting the police security units and declaring an emergency martial law [as heard] under the pretext of the threat of southward invasion from the North before 1988. Receiving increased military aid from the United States, they are raving that the United States and South Korea have agreed to continue the Team Spirit joint military exercises until 1988.

This tactic employed by them, however, will not solve the conflict between the ruling and opposition party forces, and will have a negative impact on the alleviation of tension on the Korean peninsula and the improvement of the North-South dialogue.

REPORTAGE ON ESCAP MEETING IN BANGKOK

Qian Qichen Presides

OW222043 Beijing XINHUA in English 1513 GMT 22 Apr 86

[Text] Bangkok, April 22 (XINHUA) -- Thai Prime Minister Prem Tinsulanona said here today that modern technology should play a crucial role in the development strategy of the Asian and the Pacific countries which are now at the transitional stage of development. He said, "Present technology has become increasingly complex, calling for highly specialized operating skills and abilities and making demands on manpower training. Prem made these remarks while addressing the opening ceremony of the 42nd session of the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) which was held at the ESCAP main building here this morning.

Qian Qichen, chairman of the Chinese delegation and deputy foreign minister, presided over the ceremony which was attended by some 250 delegates from 38 ESCAP members including 22 ministers and deputy ministers, as well as 130 observers from non-ESCAP countries and U.N. bodies.

Prem in his inaugural address mentioned a number of key problems plaguing developing countries in this region such as slow growth, structural adjustment difficulties, mounting indebtedness, chronic trade deficits, increasing protectionism and across-the-board slump in commodity prices. He appealed to countries in the Asia-Pacific region to "work together as best" to solve these common problems.

After Prem's address, ESCAP Executive Secretary S.A.M.S. Kibria read out a message from U.N. Secretary-General Javier Perez de Quellar. The U.N. chief pointed out in his message that protectionism in developed countries against imports from developing countries, extremely low commodity prices and the heavy burden of external debts, continue to thwart the aspirations of many developing countries.

The 1986 Commission session, which will last for 10 days, will focus on the theme of technological dimensions of human resources development. Its choice has been linked to the topic of the two previous sessions, "Technology for Development".

Qian on Asian Peace, Security

CW222120 Beijing XINHUA in English 1446 GMT 22 Apr 86

[Text] Bangkok, April 22 (XINHUA) -- Chinese Vice Foreign Minister Qian Qichen today called for the restoration of peace and stability in the Asia and Pacific region so as to "create favorable conditions for its economic development." He made the statement when addressing the plenary meeting of the 42nd session of the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP), which opened here this morning.

Qian, chairman of the Chinese delegation to the ESCAP session, said, "Peace and stability are prerequisites for economic development. The ongoing sanguinary conflicts in the Asia-Pacific region are jeopardizing the economic and social development of the region. He called for the withdrawal of all foreign troops "from the countries they have occupied, so that the people of these countries can solve their problems by themselves.

"The eight-point proposal for a political settlement of the question of Kampuchea put forward by the Coalition Government of the Democratic Kampuchea is fair and reasonable and conforms with the spirit of the relevant U.N. General Assembly resolutions and the declaration of the International Conference on the Question of Kampuchea," he said. He declared the Chinese Government's support for the proposal.

Qian also called for the strengthening of regional economic cooperation in the fields of trade, capital, technology and energy resources. He said "developed countries should stop or lessen trade protectionist and other discriminative restrictions directed against developing countries in the region, provide bigger share of their markets for products from developing countries and improve terms of trade for the export of primary products.

On cooperation in the field of capital, Qian pointed out "to solve the problem of capital shortage in their economic development, developing countries should pay attention to creating a favorable environment for direct capital investment, while developed countries should make available the capital market and create conditions for the developing countries to make use of the capital.

Qian said that as a country in the Asia-Pacific region, China is ready to actively support and take part in regional economic cooperation and make efforts for promoting economic development in the region. He proposed that a "regional seminar on forecasting, planning and development of technological human resources" in Asia-Pacific be held in China in 1987 as a contribution of the Chinese Government to the development of human resources in this region.

THAI, PRC DEPUTY MINISTERS SUPPORT CGDK PROPOSAL

OW231514 Beijing XINHUA in English 1504 GMT 23 Apr 86

[Text] Bangkok, April 23 (XINHUA) -- Thai Deputy Prime Minister Sitthi Sawetsila and Chinese Deputy Foreign Minister Qian Qichen said both countries supported the eight-point proposal recently made by the Coalition Government of Democratic Kampuchea (CGDK), it was learned here today. The two ministers met at the Foreign Ministry today. Qian was here attending the on-going 42nd United Nations Economic and Social Commission of Asia and the Pacific (ESCAP). Expressing their appreciation of the proposal, they held that it is reasonable and practical and has won wide support the world over.

The proposal calls for the withdrawal of Vietnamese troops from Kampuchea in two phases and the formation of a national reconciliation government of the Kampuchean parties including the Heng Samrin regime.

The two ministers have also expressed satisfaction over the development of the friendly and cooperative relations between China and Thailand and hoped that the relations will be strengthened and consolidated. The two ministers also exchanged views and information over other international and bilateral issues.

CPPCC DELEGATION WELCOMED AT MELBOURNE RECEPTION

OW240832 Beijing XINHUA in English 0637 GMT 24 Apr 86

[Text] Melbourne, April 23 (XINHUA) -- Melbourne hopes to further strengthen relations of friendship and cooperation with China, Councillor of Melbourne City Wellington Lee said here today. Lee was speaking on behalf of the Melbourne mayor at a reception in honor of a delegation from the Chinese People's Political Consultative Conference (CPPCC). Also present at the reception were leaders of Chinese communities here.

The delegation, led by Yang Zhengmin, deputy secretary-general of the CPPCC, arrived here Tuesday on a 13-day friendship visit to this country at the invitation of Australia-China Council. This is the first time that China has sent a CPPCC delegation to visit Australia.

Melbourne, capital of Australia's southern Victoria state, has established sister relationship with Tianjin, one of the major cities in China. And Victoria has also established a sister-state relationship with China's Jiangsu Province.

SRV RESOLUTION CALLS FOR ECONOMIC REFORM

OW232010 Beijing XINHUA in English 1959 GMT 23 Apr 86

[Text] Hanoi, April 23, (XINHUA) -- The Politbureau of the Central Committee of the Vietnamese Communist Party today adopted a draft resolution calling for new economic reforms to guarantee autonomy to industries and businesses. The resolution noted that many public enterprises had benefited from earlier reforms. However, said the resolution, the bureaucratic system still acts as if the state monopolizes everything. The resolution complained that some obsolete policies and systems are obstacles to production and that indiscipline, larceny and waste of state property have increased, which is a "very bad influence on society and the national economy."

In its draft resolution, the Hanoi authorities advocated the abolishment of state monopoly, granting of autonomy to basic economic units and the reformation of the general management system.

The Vietnamese newspaper NHAN DAN described the current reform movement as a "profound and complicated revolution" which must "be carried out actively and intensely." It said the government will soon issue decrees to implement the reforms. Observers here believe Hanoi's new reforms are designed to overcome its current economic difficulties.

HONG KONG BASIC LAW COMMITTEE ENDS SESSION

Committee Members Satisfied

OW221240 Beijing XINHUA in English 1226 GMT 22 Apr 86

[Text] Beijing, April 22 (XINHUA) -- The five-day second plenary session of the Committee for Drafting the Basic Law of the Hong Kong Special Administrative Region closed here today with a decision to hold the committee's third session in the fourth quarter of this year. Sub-committees formed to study special subjects will then present reports dealing with the concrete contents of the Basic Law (draft).

Ji Pengfei, chairman of the committee, pointed out in his closing speech that the committee members were satisfied with the framework of the Basic Law adopted by the session after discussion and revision, thus providing a good beginning for the later concrete drafting work. He added that some differences in ideology and work style existed between members from China's mainland and Hong Kong due to the different social systems. After exchanging views, they came to hold identical views on many questions. The session also adopted the "structure of the basic law of the Hong Kong Special Administrative Region of the People's Republic of China (draft)", "working regulations of the committee for drafting the basic law of the Hong Kong Special Administrative Region of the People's Republic of China", and the "decision to set up sub-committees of the committee for drafting the basic law of the Hong Kong Special Administrative Region of the People's Republic of China".

Secretary General Li Hou told XINHUA that four members had voiced different opinions on the working regulations, but only on part of the wording -- not the content. The other two documents were approved unanimously. He considered the differences would not affect the drafting work.

According to the session, the dissenting opinions will be reflected in the memorandum. The committee members from Hong Kong described the session as a "successful one".

The framework of the basic law (draft) has ten chapters dealing with the relationship between the central government and that of the Hong Kong Special Administrative Region; the basic rights and duties of Hong Kong citizens; and Hong Kong's political system, economy, education, science, technology, culture, sports, religion, foreign affairs, and flag and emblem.

Group Issues Communique

OW221135 Beijing XINHUA Domestic Service in Chinese 0909 GMT 22 Apr 86

[Text] Beijing, 22 Apr (XINHUA) -- Communique of the Second Plenary Session of the PRC Basic Law Drafting Committee for the Hong Kong Special Administrative Region:

The PRC Basic Law Drafting Committee for the Hong Kong Special Administrative region held its second plenary session in Beijing from 18 to 22 April 1986. Fifty-six members attended the meeting. Members Li Jiacheng and Xiang Chunyi were absent due to personal reasons. Member Guo Dihuo unfortunately passed away on 9 April this year.

The meeting discussed such issues as the framework of the basic law, the work rules for the drafting committee, the grouping of special issues, and the formation of ad hoc groups. The members took a serious and responsible approach toward the issues and spoke frankly and freely. Accordingly, they were able to enhance their mutual understanding and their confidence in drafting a sound basic law.

The plenary session held by the drafting committee this afternoon adopted the "Draft Framework of the PRC Basic Law for the Hong Kong Special Administrative Region," the "Work Rules for the PRC Basic Law Drafting Committee for the Hong Kong Special Administrative Region," and the "Decision on Forming Ad Hoc Groups under the PRC Basic Law Drafting Committee for the Hong Kong Special Administrative Region."

The session decided to hold the third plenary session of the drafting committee in Beijing in the fourth quarter of this year for the various ad hoc groups to deliver work reports and hold preliminary discussions. In 1987, the drafting committee will separately discuss such special issues as relations between the central authorities and the special administrative region; the fundamental rights and obligations of the residents there; and the region's political system, economy, education, science, technology, culture, sports, and religion. Then, a manuscript of the discussion on the draft basic law will be adopted at a meeting to be held in early 1988.

WANG BINGQIAN, FRG FINANCE MINISTER HOLD TALKS

OW240838 Beijing XINHUA in English 0828 GMT 24 Apr 86

[Text] Beijing, April 24 (XINHUA) -- Wang Bingqian, Chinese state councillor and minister of finance, held talks with Gerhard Stoltenberg, minister of finance of the Federal Republic of Germany, here today at the Great Hall of the People. The two ministers exchanged views on issues of present international situation and briefed each other on the economic development and finance in their own countries.

Wang said, China now is facing an acute shortage of funds in its socialist construction. To solve the problem, China would open up its domestic financial resources self-reliantly by developing the economy and improving economic results and, at the same time, make an active use of foreign funds.

Both expressed the hope to further develop economic relations and cooperation between the two countries. FRG Ambassador to China Per Fischer attended the talks. Stoltenberg and his party arrived here yesterday as guests of Wang Bingqian.

YE FEI MEETS DELEGATION FROM NORWAY 23 APRIL

OW231228 Beijing XINHUA in English 1211 GMT 23 Apr 86

[Text] Beijing, April 23 (XINHUA) -- Ye Fei, vice-chairman of China's National People's Congress Standing Committee, met here today a delegation from the Norwegian Ministry of Health and Social Affairs led by State Secretary Harald Overvaag. The nine-member delegation arrived here yesterday at the invitation of the Chinese Ministry of Civil Affairs.

WESTERN 'RIFT' RESULTS FROM U.S. ATTACK ON LIBYA

OW191554 Beijing XINHUA in English 1531 GMT 19 Apr 86

["Round-up: Fresh Rift in Western Alliance Caused by U.S.-Libyan Conflict by Xia Zhimian" -- XINHUA headline]

[Text] Bonn, April 19 (XINHUA) -- The U.S. bombing of Libya has not only left deep craters in the north African state but also opened crevasses in the Western Alliance. Most West European nations were shocked, dissatisfied or even angered upon learning that the U.S. had attacked Libya without first consulting them. The Western allies were caught unprepared Tuesday when the White House ordered its lighting [as received] strike against Libya. They feel they were hoodwinked by Washington.

On April 13, a special envoy from Washington consulted the United States' Western allies on how to deal with the terrorist actions allegedly sponsored by Libya, a nation the Americans consider to be the arch foe of the Western world. The next day, however, without any advanced notice to the Western allies, a fleet of U.S. F-111 bombers secretly took off from Britain to pound Libyan targets.

On April 14, 12 foreign ministers of the European Community countries held an emergency meeting in the Hague, calling for restraint and a "political solution" to the U.S.-Libyan conflict so as to avoid an escalation of violence in the Mediterranean. Federal German Foreign Minister Hans-Dietrich Genscher was sent to Washington the same night to inform the Reagan administration of the result of the E.C. meeting. Genscher never had a chance to complete his mission, for even before his plane touched down in Washington D.C., U.S. bombs had hit Libya. Federal German Chancellor Helmut Kohl first heard of the attack through the media.

The U.S. strike against Libya provides another example of how the United States is inclined to put its own interests before everything else, ignoring even those of its closest friends. Western Europe has business interests in Libya and, because of its proximity to Northern Africa, bears the brunt of tensions in the Mediterranean. Furthermore, as the closest allies of the United States, West European countries have insisted that the White House consult them before any major political or military move is made. All this, however, was ignored by the U.S. administration.

As a Belgian newspaper commented, the U.S. bombing of Libya has humiliated the European Community and brings into question the value of the partnership between the United States and its Western allies.

But this is not the first time in post-war history that America's allies in the West have been humiliated in this way. In 1974, the United States reached the SALT II Treaty with the Soviet Union while remaining silent on the Soviet development of its SS-20 intermediate-range missiles, missiles that can reach Western European targets but not the United States. In 1983, the U.S. Government imposed the "star wars" program upon its Western allies, calling for a radical change in the nuclear deterrent strategy of the Western Alliance, a move that would give the Americans a space-based anti-missile shield while leaving Western Europe defenseless.

Many Western European politicians have bitter memories about disputes with Washington over such issues as the planned deployment of the neutron-bomb, the theory of a limited nuclear war in Europe, the economic sanctions against the Soviet Union and Poland, and the invasion of Grenada. On those and many other issues the U.S. Government has placed its own interests above all, taking actions that are detrimental to its allies.

The Western European countries, with their growing economic strength, are gaining more and more political influence in world affairs and want to be more independent of the United States. This may explain why the Western allies, with the exception of Britain, have shown no support for the latest U.S. action against Libya, why the U.S. bombers had to fly around France en route to the Mediterranean, and why even a close friend such as Federal Germany said it "opposes violence in principle", a veiled criticism of the U.S. action.

POLISH MONTHLY HAILS PRC REFORM ACHIEVEMENTS

OW240117 Beijing XINHUA Domestic Service in Chinese 1215 GMT 23 Apr 86

[Beijing XINHUA Domestic Service in Chinese at 0907 GMT on 23 April carries a service message canceling the following item]

[Text] Warsaw, 22 Apr (XINHUA) -- "China in the Eyes of Foreigners": The 1986 No 3 issue of the Polish monthly "(PEOPLE'S ARMY)" published a signed article which says: "Every objective observer must admit that the fast achievements made by China in reforming its political and economic life are amazing." Excerpts of the article follow:

The reform began soon after the 3d Session of the 11th CPC Central Committee made its decision in December 1978. The meeting was a significant turning point. It drew up a blueprint for transformation and reform that meets China's characteristics and the international environment. Since then, the reform has unprecedentedly liberated manpower resources, brought into play people's wisdom and talents, and greatly enhanced efficiency.

Agriculture was the first to be reformed. Agricultural production has greatly increased mainly because of the implementation of a "household contract" system. At the same time, the efficiency and production of industry and other economic sectors have also increased.

The economic achievements, the progress of reform, and the proportionate distribution of major economic sectors show that China is smoothly implementing its major strategic objectives.

The preliminary results of the Sixth 5-Year Plan were not bad. Chairman Deng Xiaoping has reasons to say that by the year 2000, the current objectives will not only be fulfilled but will be overfulfilled. However, this has not made Chinese leaders blindly optimistic. They have fully considered the Chinese people's experience in the "Great Leap Forward" and the "Cultural Revolution." They are now, acting in a moderate peaceful, and prudent way.

The developments in China in the last 5 years are great but quite uneven. Moreover, there is another question; that is, can China maintain the inspiring economic growth rate without worrying about "overgrowth" and "economic setback"? Chinese leaders realize the possible dangers. Chairman Deng Xiaoping is convinced that China's reform and experiment will succeed because China has no other way to go and no other choice; this is what he has said.

COMMUNICATIONS DELEGATION VISITS POLAND

Meets Vice Premier

OW230828 Beijing XINHUA in English 0813 GMT 23 Apr 86

[Text] Warsaw, April 22 (XINHUA) -- During a meeting today with the Chinese Communications Minister Qian Youngchang, the Polish Vice Premier Wladyslaw Gwiazda said that the two countries can develop cooperation in shipping, port construction, fishing, scientific research and the training of professionals.

Qian hoped to cooperate in ocean shipping, highway construction and other departments of communications.

The two sides spoke highly of the achievements made by the Sino-Polish shipping company since its founding 35 years ago. Qian came here for the celebration of the 35th anniversary of the founding of the Sino-Polish shipping company and for a friendly visit to the country.

Ends 'Friendly' Visit

OW240641 Beijing XINHUA Domestic Service in Chinese 1524 GMT 23 Apr 86

[Text] Warsaw, 23 Apr (XINHUA) -- A delegation of the Chinese Ministry of Communications would up its friendly visit to Poland and left here for home by plane today. The delegation was led by Qian Yongchang, minister of communications. The delegation arrived in Poland on 13 April at the invitation of the Polish Bureau of Marine Economy. During its stay in Poland, the delegation attended activities in celebration of the 35th anniversary of the Sino-Polish Shipping Company; met with leaders of the Sino-Polish Shipping Company; met with leaders of the Polish Bureau of Marine Economy, and visited the cities of Gdynia, Gdansk, and Krakow. It also visited the Gdynia branch of the Sino-Polish Shipping Company, the Gdansk Oceanographic Institute, the Gdansk Maritime College, and the Gdynia Commerical Harbor. Polish Vice Premier Gwiazda received Minister Qian Yongchang on 22 April.

POLAND SUPPORTS SOVIET ARMS REDUCTION PROPOSAL

OW231131 Beijing XINHUA in English 0653 GMT 23 Apr 86

[Text] Warsaw, April 22 (XINHUA) -- Poland "fully supports and is ready to implement" the new proposal on European disarmament put forward by Soviet leader Mikhail Gorbachev at the recently-held 11th Congress of the Socialist Unity Party of Germany. The new proposal is the continuation of the Soviet peace offensive and it shows the firm stand of the Warsaw Treaty countries, said Jerzy Urban, spokesman for the Polish Government at a regular news briefing today.

On 18 April Gorbachev proposed "substantial reductions" be made in Europe's conventional armaments and forces and suggested that both the Warsaw Pact and NATO substantially cut all components of land forces and tactical air forces in Europe, including those of the United States and Canada. The spokesman said that the proposal "is of special importance to the European disarmament negotiations." Urban said that Poland hopes the Soviet proposal will receive constructive reaction from governments of Western countries.

CHU TUNAN AT PRC-BULGARIA SPORTS PACT SIGNING

OW181320 Beijing XINHUA in English 1238 GMT 18 Apr 86

[Text] Beijing, April 18 (XINHUA) -- Bulgaria and China will exchange more sports teams this year under an agreement signed by the two countries here this afternoon. The 1986 sports exchange agreement was signed by Chinese Sports Minister Li Menghua and Trendafil Martinski, president of the Central Committee of the Bulgarian Physical Culture and Sports Union. Chu Tunan, vice-chairman of the Standing Committee of the National People's Congress, met the Bulgarian sports delegation headed by Martinski in the Great Hall of the People after the signing ceremony.

China will send 12 sports teams to Bulgaria this year. These include a fencing team from April 24 to May 5, a rhythmic gymnastics team between May 9 and 11, a gymnastics team from June 6 to 8, an archery team between June 9 and 15, a shooting team between June 25 and 30, a sports acrobatics team from July 4 to 9, a water polo team between July 23 and 27, a women's volleyball team between July 27 and August 2, a wrestling team and a sports delegation. Bulgaria will dispatch five teams to China. They include a weightlifting team between June 6 and 24, a rhythmic gymnastics team in October, an archery team between November 24 and December 4.

Prior to the ceremony, Martinski handed to Li Menghua a copy of Sofia's application for hosting the 1992 Winter Olympic Games. Doncho Donchev, Bulgarian ambassador to China, was present on both occasions. The Bulgarian guests will leave here for Shanghai tomorrow.

IRANIAN DELEGATION ARRIVES IN BEIJING

LD240518 Tehran IRNA in English 0901 GMT 23 Apr 86

[Text] Beijing, April 23, IRNA -- The Iranian political-economic delegation headed by the Deputy Foreign Minister for International Affairs, Mohammad Javad Larijani, arrived here Tuesday afternoon and was welcomed by Chinese Foreign Ministry officials.

The Iranian delegation which also includes the Iranian Ambassador to the United Nations, Seyed Rajaie-Khorassani, during its stay in China will visit various research, educational and industrial centers and will also hold talks with Chinese officials.

The trip has taken place upon a formal invitation from the Foreign Ministry of the People's Republic of China.

Meeting with NPC Official

LD240933 Tehran IRNA in English 0725 GMT 24 Apr 86

[Text] Tehran, April 24, IRNA -- The Iranian deputy foreign minister for international affairs, Mohammad Javad Larijani, currently in Beijing met with an official from the Standing Committee of the National People's Congress of the People's Republic of China Wednesday. Larijani who is heading an economic-political delegation to China during the meeting discussed possibilities for expansion of mutual relations.

On the issue of the 5-1/2 year old Iraqi-imposed war, Larijani told the Chinese official that adoption of a rational stance by countries friendly to the Islamic Republic of Iran can accelerate return of peace to the region.

The Iranian delegation is in on official visit in China to discuss possibilities of research cooperation in the field of international affairs.

ZHANG JINGFU ARRIVES IN IRAQ FOR TALKS

OW231606 Beijing XINHUA in English 1540 GMT 23 Apr 86

[Text] Baghdad, April 23 (XINHUA) -- Chinese State Councillor Zhang Jingfu arrived here last night on the first leg of his tour of Iraq, Arab Yemen and Kuwait.

The Chinese state councillor told reporters upon his arrival at the airport that his visit to Iraq is aimed at promoting understanding and cooperation between the two countries through exchange of views with Iraqi leaders.

Zhang's visit is the second to Iraq by high-ranking Chinese officials since that of Chinese Foreign Minister Wu Xueqian last December.

'Satisfaction' Over Cooperation Noted

OW231608 Beijing XINHUA in English 1537 GMT 23 Apr 86

[Text] Baghdad, April 23 (XINHUA) -- Chinese and Iraqi officials in their talks here today expressed satisfaction with the smooth development of their friendly cooperation in various fields.

In the talks between the visiting Chinese State Councillor Zhang Jingfu and Iraqi Minister of Trade Hasan 'Ali Nasar, both sides expressed the hope to further expand the relations. The Iraqi minister briefed the Chinese guest on Iraq's stand on the Iran-Iraq war, Zhang Jingfu reiterated Chinese government's stand that the conflict between Iran and Iraq should be settled in accordance with norms of the international law and under conditions acceptable to both sides.

Present on the occasion were Chinese and Iraqi officials in charge of trade, foreign affairs and irrigation. Chinese Ambassador to Iraq Zhang Junhua was also present.

The Chinese state councillor and his party laid a wreath this morning to the monument of Iraqi unknown soldiers.

Zhang Jingfu Meets Iraqi Leader

OW240754 Beijing XINHUA in English 0719 GMT 24 Apr 86

[Text] Baghdad, April 23 (XINHUA) -- Iraqi President Saddam Husayn told visiting Chinese State Councillor Zhang Jinfu today that "to develop cooperative relations with China in various fields will be in conformity with the interests of both the Chinese and Arab peoples.

During his meeting with Zhang, the Iraqi president appreciated China's economic policy pursued in the last 10 years.

Saddam said, "we are satisfied with the development of the Sino-Iraqi relations. We hope that such relations will be enhanced to a higher level. The Chinese state councillor said that the Chinese leaders highly treasure the friendly relations with Iraq. "It is our established policy to develop friendly relations with Iraq," he added.

Zhang said the long-term agreement on economic and technological cooperation to be signed soon between our two countries will lay down the foundation for our long-term cooperation in the future.

The Chinese state councillor conveyed the regards from the Chinese leaders to President Saddam. He reaffirmed the invitation by Chinese President Li Xiannian for President Saddam to visit China. Saddam accepted the invitation with pleasure and asked Zhang to convey his regards to the Chinese leaders.

Also present on the occasion were assistant minister of the Chinese Ministry of Economic and Foreign Trade Wang Wendong, Chinese Ambassador to Iraq Zhang Junhua and Iraqi Minister of Trade Hasan 'Ali.

INA Report on Meeting

JN231758 Baghdad INA in Arabic 1725 GMT 23 Apr 86

[Text] Baghdad, 23 Apr (INA) -- President Saddam Husayn received here today PRC State Councillor Zhang Jingfu, and his accompanying delegation. The PRC official conveyed to President Saddam Husayn the greetings of PRC President Li Xiannian, Military Commission Chairman Deng Xiaoping, and the Chinese leadership.

The Chinese official reiterated President Li Xiannian's invitation to President Saddam Husayn to visit the PRC. His excellency promised to make the visit when circumstances allow him to do so.

President Saddam Husayn asked the Chinese official to convey his greetings to President Li Xiannian, the Military Commission chairman, and the Chinese leadership. There was a discussion of relations between the two friendly countries and ways to promote them.

The meeting was attended by Hasan 'Ali, RCC member and Iraqi trade minister.

WU XUEQIAN REITERATES PRC SUPPORT FOR PLO

OW222020 Beijing XINHUA in English 2013 GMT 22 Apr 86

[Text] Beijing, April 22 (XINHUA)-- Chinese Foreign Minister Wu Xueqian today reiterated China's support for the just struggle of the Palestine Liberation Organization (PLO) and other Arab countries.

Hosting a dinner for a PLO delegation there, Wu said that China has always held that Israel must withdraw from the Arab land occupied in 1967 and renew the legitimate right of the Palestinians to set up their own country. All the Middle-East countries should have an equal right for life, which, he described as a reasonable base for the settlement of the Middle-East issue.

"China's has always took the PLO as the only legitimate representative of the Palestine people, who should be treated as an equal party in solving the Middle-East issue," the minister said. Wu added that China welcomes any effort and initiative that is in keeping with the above related principles.

In reply, Faruq Qaddumi, member of the PLO executive committee and political department said that the Palestinians regard the Chinese people as their true friends. He also condemned Israel and the United States for their obstruction of the peaceful efforts of the international community and the Palestinians for settling the issue.

CHEN MUHUA MEETS SUEZ CANAL ADMINISTRATOR

OW231540 Beijing XINHUA in English 1444 GMT 23 Apr 86

[Text] Beijing, April 23 (XINHUA) -- Chinese State Councilor Chen Muhua met 'Izzat 'Adil, head of the Suez Canal Authority, here today. The two sides exchanged views on further cooperation in navigation along the Suez Canal between China and Egypt. 'Adil arrived here yesterday as guest of Minister of Communications Qian Yongchang.

XI ZHONGXUN RECEIVES VISITORS FROM SEYCHELLES

OW221936 Beijing XINHUA in English 1436 GMT 22 Apr 86

[Text] Beijing, April 22 (XINHUA) -- Xi Zhongxun, member of the political bureau of the communist party Central Committee, met a delegation from the Seychelles People's Progressive Front here today.

Xi paid tribute to the efforts of the Seychelles people led by President France Albert Rene and the People's Progressive Front in fighting against imperialism, safeguarding national independence and sovereignty and developing national economy and culture.

The visit of the delegation led by Esme Jumeau, secretary for finance and minister of health, will further deepen understanding and promote cooperation between the two countries, he said. Jumeau briefed Xi on Seychelles's development in the past few years.

The delegation arrived here yesterday at the invitation of the Chinese Communist Party. After the meeting, Xi gave a dinner for the visitors.

HU YAOBANG INSPECTS HEBEI MOUNTAIN AREA

OW240243 Beijing XINHUA Domestic Service in Chinese 0823 GMT 23 Apr 86

[By reporter Jiang Shan]

[Text] Shijiazhuang, 23 Apr (XINHUA) -- During his recent inspection tour of the Taihang Shan area in western Hebei Province, Hu Yaobang, general secretary of the CPC Central Committee, pointed out: Young and middle-aged cadres who have been newly promoted to leading bodies at various levels should learn to creatively implement the policies of the CPC Central Committee and higher authorities and to correctly handle inner-party contradictions in order to carry out construction more effectively during the Seventh 5-Year Plan than during the past 5 years.

Comrade Hu Yaobang arrived in the Fuping County seat from Beijing at noon on 17 April. He then left by station wagon for an inspection tour of a remote mountain area. In recent years, Comrade Hu Yaobang has been very concerned about construction in Hebei Province's Taihang Shan area. He has concerned himself with the work here on 10 occasions, inspecting the area, hearing briefings on its situation, inviting cadres of the area to visit Zhongnanhai as his guests, and so on.

In the 4 days from 17 to 20 April, Comrade Hu Yaobang traveled 1,000 li by car crossing one mountain after another. In the 4 days, he successively inspected Baoding Prefecture's Fuping, Guyang, Tangxian, Wanxian, and Yixian Counties; heard reports on the work of 10 counties in Baoding and Shijiazhuang Prefectures; and discussed with the cadres and people major plans to accelerate construction and afforestation in the mountain area. He pointed out: In helping poor households, it is necessary to mainly help them further increase their means of production by providing them with techniques, information, and funds, the most important of which is techniques.

Comrade Hu Yaobang, who fought battles here, heartily rejoiced at the notable changes that have taken place in various fields in the Taihang Shan area over the past few years. After seeing nearly 1 million newly planted jujube trees on a mountain slope in Fuping County, he joyfully wrote these words of praise: "Be as determined as the foolish old man and plant jujube trees all over Taihang Shan." In Chengnan Village where Chairman Mao once stayed, Hu Yaobang planted four jujube trees. In Quyang County where people are pursuing a policy of "making prompt use of available natural resources" and are quickly becoming prosperous by exploiting marble and other mineral resources, Hu Yaobang praised them by saying that they have found a way to use local natural resources to develop the mountain area. Visiting Zhang Ming, a peasant in Tangxian County's Lingbei Village, Hu Yaobang understood that many poor households in the locality have basically improved their livelihood in recent years. He told Zhang Ming that the party Central Committee's policy of letting people become prosperous would never change. In his speech to leading cadres at the provincial, prefectural, and county levels in Hebei Province on 20 April, Hu Yaobang said: There are three gratifying changes that have taken place in the Taihang Shan area over the past few years: 1) Production has developed quite quickly, and in particular, a way has been found to eliminate poverty and to become prosperous -- this is most rewarding; 2) living standards of the masses have generally improved, and even the living standards of peasant households, which are still called poor households, have also improved in varying degrees as compared with that several years ago; 3) peasants in mountain areas are now confident of becoming better off by making use of natural resources in the mountains, and afforestation in the Taihang Shan area has noticeably accelerated in recent years.

In his speech, the general secretary held: the first reason for such achievements is that the party Central Committee has laid down a series of correct principles and policies since the 3d Plenary Session of the 11th CPC Central Committee. He said: Many old comrades are retiring from the front line, and most of those now working on the front line are young and middle-aged cadres. The party Central Committee's principles and policies have been tested for more than 7 years. Whether or not we can do better during the Seventh 5-Year Plan than during the sixth depends mainly on the practical abilities of members of new leading bodies at various levels.

Hu Yaobang pointed out that young and middle-aged cadres should learn to do two things:

The first is to creatively implement the party Central Committee's principles and policies. He said: By creativeness, it does not mean working in a general way; mechanically implementing the instructions of the party Central Committee and higher authorities; or waiting for, relying on, or seeking assistance from higher levels. The principles and policies laid down by the 3d Plenary Session of the 11th CPC Central Committee have been tested during the Sixth 5-Year Plan. The Seventh 5-Year Plan has also been mapped out. Everything now depends mainly on whether or not various central ministries and commissions as well as various provinces, autonomous regions, municipalities under the central government, prefectures, cities, and counties can creatively implement the party Central Committee's policies to push their practical work forward. Our comrades must acquaint themselves with several situations: 1) The party Central Committee's policies are based on the conditions of the country. In a big country like ours, the party Central Committee cannot lay down specific and detailed stipulations in all official documents, and various local authorities should do things according to their actual conditions. The party Central Committee particularly stresses that the past situation in which rigid control was exercised must be changed and that continuous efforts must be made to solve this problem. 2) Fresh experience can be gained only through practice, and the party Central Committee formulates its policies according to practical experiences gained at lower levels; comrades at lower levels are duty-bound to report new experiences to the party Central Committee. 3) After a policy is laid down, there might be errors during implementation. This requires those at lower levels to take the initiative in reporting such instances to the party Central Committee or to give it a timely "signal." All these three situations require comrades at lower levels to do their work in a creative way. The general secretary emphatically pointed out that the first of the three situations is the most important. All localities must act according to their own conditions and persist in seeking truth from facts. He said: Many of our comrades now do their work in a general way mainly because they have failed to make thorough study and investigation and thus have scant knowledge of their work. One can eventually consolidate his position by persistently seeking truth from facts.

The second is to correctly handle inner-party contradictions. Hu Yaobang said: Some of our comrades do not realize that there are contradictions within the party. In fact, there are contradictions in everything in the world, and everything develops from contradictions and in the course of resolving them. The general secretary said: We should not fear or avoid inner-party contradictions. Many such contradictions involve differing views in work and understanding. In general circumstances, such contradictions, which are not antagonistic, can be resolved. They should be solved by exchanging views, democratic consultation, individual discussions, and mutual understanding. One should adopt correct methods and should not be afraid of problems or democracy.

Of course, some antagonistic contradictions also exist in our party, such as people committing serious criminal acts and violations of the law and discipline, but they are few in number. We must sternly deal with such people without sparing their sensibilities. Comrade Hu Yaobang stressed: Our comrades should draw a lesson from past events and learn to correctly analyze and handle different types of contradictions in the party. When this problem is solved, the unity of the party and leading bodies at various levels will be greatly strengthened and more progress will be made in our work.

LI XIANNIAN APPOINTS, REMOVES AMBASSADORS

OW211722 Beijing XINHUA Domestic Service in Chinese 1315 GMT 21 Apr 86

[Text] Beijing, 21 Apr (XINHUA) -- Pursuant to a resolution adopted by the NPC Standing Committee, Li Xiannian, president of the People's Republic of China, made the following appointments and removals:

1. Wu Jiaxuan [0702 3946 6693], is appointed PRC ambassador extraordinary and plenipotentiary to Jamaica.
2. Wu Chenghua [6079 3397 7520] is appointed PRC ambassador extraordinary and plenipotentiary to the Republic of Djibouti. Wang Changyi is removed from the post of PRC ambassador extraordinary and plenipotentiary to the Republic of Djibouti.
3. Wang Changyi is appointed PRC ambassador extraordinary and plenipotentiary to the Syrian Arab Republic. Lin Zhaonan is removed from the post of PRC ambassador extraordinary and plenipotentiary to the Syrian Arab Republic.
4. Zhang Dezheng [1728 1795 2398] is appointed PRC ambassador extraordinary and plenipotentiary to the Republic of Botswana. Lu Defang is removed from the post of PRC ambassador extraordinary and plenipotentiary to the Republic of Botswana.
5. Shen Yunao [3088 0336 3581] is appointed PRC ambassador extraordinary and plenipotentiary to the Argentine Republic. Wei Baoshan is removed from the post of PRC ambassador extraordinary and plenipotentiary to the Argentine Republic.

RENMIN RIBAO ON ELIMINATING FEUDAL PRACTICES

HK230623 Beijing RENMIN RIBAO in Chinese 18 Apr 86 p 5

[Article by Bai Jinian: "Conscientiously Eliminate Pernicious Feudal Influences in Political Life"]

[Text] While taking the lead in rectifying party conduct, the leading organs should not only continue to resolutely rectify unhealthy practices in the economic field but also conscientiously rectify unhealthy practices in political life. In the past we have not done quite enough in criticizing and rectifying the feudal elements in political life. Therefore, we should attach sufficient importance to this issue.

The patriarchal system, or the practice of what one says goes, is an important manifestation of the pernicious feudal influences in political life. In a number of localities inner-party life is still not sufficiently normal and there is a lack of democratic practices, with one person, having the final say and everybody else being absolutely obedient. People dare not raise differing views, still less criticize unhealthy practices. The leaders of some departments or units hand over to the higher authorities reports on appointments and dismissals without the knowledge of the other members of the party committees. Some leaders regard the departments or units entrusted to them by the party and the people as independent kingdoms.

Neither listening to the advice of the higher authorities nor accepting the supervision of the masses, they are imperious, despotic, and extremely conceited. Some have turned the relationship between the leader and the led into one of feudal personal attachment by asking the lower levels to obey them in an unprincipled manner. At meetings of the leading bodies, the principal leaders of some departments and units speak throughout the meeting without allowing other people to chip in. As a result, holding collective discussions and pooling the wisdom of the masses becomes empty talk. All these cannot but seriously stifle the enthusiasm and initiative of cadres and party members, weaken and undermine the collective leadership based on democratic centralism, and damage our cause.

As historical materialists, we recognize the important role of leaders but we resolutely oppose the practice of placing oneself in an inappropriate position. In order to give better scope to his role, a leader should mix with the collective and consciously place his activities under the supervision of the party and the people. This is a manifestation of the party spirit of a communist. The principal leader of a party committee should provide the other party committee members, the cadres at all levels, and the large numbers of party members and people with the conditions to fully exercise their democratic rights and to express their own views. He should create a cordial, natural, and harmonious atmosphere in which all people are equal and dare to speak out freely. In this way, the higher and lower levels, as well as the cadres and the masses, come together in thought and feelings, genuinely building up an intimate relationship of mutual equality, unity, and cooperation among comrades. He should never inappropriately exaggerate the role of an individual by placing himself above the party organization and the masses. Nor should he wilfully infringe upon the democratic rights of party members and other party committee members as stipulated in the party Constitution. During the "Great Cultural Revolution," the normal political life of the party, as well as the collective leadership based on democratic centralism, was undermined, and the personality cult reached the ultimate limits, bringing serious disaster to the party and the state. This lesson should never be forgotten.

In organization and personnel work, some people always like to form small coteries. In selecting and appointing cadres they do not act fairly and honestly but rely on their personal impressions, like and dislikes, and even feelings. They like to appoint those cadres who are respectful, submissive, sleek, and sly. In particular, they try by every possible means to promote and put in important positions their relatives, friends, acquaintances, fellow villagers, and former subordinates. But they censure, reproach, and even discriminate against those new cadres who are genuinely knowledgeable, who have courage and strong characters, and dare to carry out reform and to blaze new trails. This is quite similar to the system and style of the feudal families of power and influence in ancient China. In recent years, due to various reasons, the family members of our cadres, such as husbands and wives, fathers and sons, mothers and sons, relatives by marriage, parents and daughters-in-law, fathers-in-law and sons-in-law, and brothers and sisters, as well as cousins, nominal relations, nieces, uncles, and in-laws, work together in many of our government organs, institutions, and other units, developing networks of complicated blood or marriage relationships. The people describe this phenomenon by saying: "Kinship prevails among party and government cadre, with fathers and sons serving as political and legal cadres." This is currently a fairly common social phenomenon tinted with a strong feudal patriarchal color, which has become an outstanding new problem in organization and personnel work. This phenomenon has many defects and does serious harm. We should attach great importance to it, conscientiously study it, and explore ways to solve this problem. If we fail to solve this, it will leave behind serious trouble.

Pernicious feudal influences in political life are also invisible ideological "shackles" hindering us in creatively implementing the party's principles and policies and carrying out our work. In some departments, when holding meetings, making speeches, writing documents, or handling matters, some comrades often indiscriminately copy or transmit something from the higher authorities or the words of some authorities. They dare not say or do what has not been stated in the documents from the higher levels or spoken by the leaders at the higher levels. They dare not tackle or handle problems or difficulties without first asking whether there are any documents or precedents to do by. They do not ask what they should do in order to benefit the people, to conform to reality, or to be in accord with the principles of party character. They simply do not want to do what should, and can, be done. Some documents and reports can be applied anywhere, by anyone, and at any time because they are neither directed against any particular problems nor have distinctive characteristics. These spiritual conditions characterized by the practice of invariably following the lead of the higher authorities and simply relying on "officialese" to handle affairs without daring to go a step beyond the limits show that many comrades are still unaware that they have been seriously poisoned by feudal autocracy. It is quite necessary for them to emancipate their minds. If we fail to solve this problem, we shall not be able to genuinely carry out our work well and it will be entirely impossible to open up a new situation. A passage in the party Constitution approved by the 12th CPC National Congress says: "The party's ideological line is to proceed from reality in all things, to integrate theory with practice, to seek truth from facts, and to verify and develop truth through practice. In accordance with this ideological line, the whole party must scientifically sum up historical experience, investigate and study actual conditions, solve new problems in domestic and international affairs, and oppose all erroneous deviations, whether 'left' or 'right'." In my view, we should use this passage and this yardstick to judge whether our work is correct and worthy. The current line, principles, and policies of the CPC Central Committee are entirely correct and it is necessary to resolutely implement them. There is no doubt about this. However, the results of our implementation depend on whether we explore and practice on the basis of this ideological line. A person who genuinely persists in seeking truth from facts and who genuinely and resolutely implements the CPC Central Committee's principles and policies should also be one who dares to raise questions that have not been raised by his predecessors or other people, who dares to adopt practical measures to solve actual problems, and who is keen on reform and forges ahead. This is what is called being creative. We should energetically encourage and vigorously advocate realistic, independent, and creative work, break with the various feudal ideas that hinder our carrying out creative work, and genuinely keep to the principled stand of the proletarian party spirit. In the new period of overall reform, we should especially advocate this creative spirit. It can be said that whether or not a cadre, particularly a leading cadre, can creatively carry out his work on the basis of adhering to the four basic principles is a concentrated manifestation of whether he has courage, resourcefulness, and knowledge and whether he has a high ideological level, a good understanding of policy, strong professional competence, and a strong sense of political responsibility.

For a long time in the past, a very bad work style has also developed in some organs and units, namely, serving a handful of persons in authority. As soon as a person holds a leading position, many people ask after his well-being, attentively offer their services, and even try by every possible means to flatter, and to curry favor with him. But they are indifferent about the interests of the vast numbers of cadres, workers, and staff members and do not try hard to serve these people. There are various reasons for the emergence of this phenomenon, such as the problems in the system itself and the ideas of the working personnel.

However, the most important reason is that a small number of leaders deem it right and proper for officials to seek ease and comfort. They like to be flattered and want others to satisfy their irrational demands in an unprincipled manner. They even take this as a basis for assessing and selecting cadres, thus bringing about an extremely abnormal relationship among people. The vast number of cadres, workers, and staff members are very much dissatisfied with this unhealthy practice. Naturally, it is necessary to serve a leader. However, this service is different in principle from all feudal and old bureaucratic yamen [government offices in feudal China]. The practice of currying favor with, and flattering, persons in power stems from personal gains or losses. In the feudal yamen, everything was carried out for, and centered on, the highest person in power, while the ordinary working personnel had no status. Now, some old comrades say that as soon as they withdraw from leading posts, they have a sense of being cold-shouldered. This also has something to do with the unhealthy work style of some people who are keen on taking the "hot door" rather than the "cold door." When the old comrades were still on the job and were fully occupied, these people often called on them. This seemingly enthusiastic attitude actually caused these comrades a lot of trouble. Having withdrawn from the frontline, these comrades have less things to do but greater difficulties. However, when they look forward to visits and need help, these people hide themselves for fear of being related to them. This snobbish attitude is by no means the work style of the proletariat and the Communist Party but of the old-style bureaucratic yamen. This is a pernicious feudal influence which should be resolutely eliminated.

These pernicious feudal influences, which represent major stumbling-blocks to our efforts to conduct reform, to invigorate the economy, and to build socialist spiritual and material civilizations, should be conscientiously removed.

CURRENCY RECOVERY DEMONSTRATES SOUND ECONOMY

OW240236 Beijing XINHUA in English 0136 GMT 24 Apr 86

[Text] Beijing, April 24 (XINHUA) -- A record currency recovery in the first quarter of this year showed that the economy is sound, a Chinese central bank official said here today. According to him, China recovered 89 billion yuan from circulation in the first three months of this year, breaking the record for the same period in a year.

A major reason for this was the increase of savings deposits in both urban and rural areas, and the decrease in the net currency spending in the countryside, the official said.

Statistics show that savings deposits grew by 2.3 billion to 10.15 billion yuan, while the net currency spending in the countryside went down by 3.8 billion in the first quarter compared to the same period last year.

Meanwhile, two other elements which affect the currency recovery -- earnings from commodity selling and expenditure on wages -- have also been brought under control, the official added.

Financial experts often take the issue and recovery of the currency as a mirror of a nation's economy. The new record in currency recovery proved that the state had been right in implementing macro-economic control since early last year, he said.

The control measures included regulating the ratio of deposits, the quotas of loans and the interest rates for deposits and loans between the central bank -- the People's Bank of China -- and the specialized banks. Eight specialized financial institutions function under the People's Bank of China.

FORCED SALES OF UNDESIRABLE GOODS BANNED

OW240840 Beijing XINHUA in English 0821 GMT 24 Apr 86

[Text] Beijing, April 24 (XINHUA) -- Authorities here are calling for an immediate stop of the prevalent malpractice of forcing customers to buy undesirable goods in order to buy what they really want.

The Ministry of Commerce and the Beijing Municipal Government all came out this week, blaming it for jeopardizing consumer interests and doing disservice to state commerce.

Chen Xitong, mayor of Beijing, told leaders of commercial departments Wednesday to come down sharply on the malpractice and resolve the problem in one week. After issuing six urgent rules, the City Council today published telephone numbers which customers may dial when they find the practice still continues.

He Jihai, vice-minister of commerce, urged consumers to stand up against the practice and report cases of violations. The managers of four major department stores in Beijing responded quickly, calling on their counterparts throughout China to boycott hard selling of inferior goods by whole-sellers. Some shops voiced their support by promising never to repeat the practice.

The malpractice had started a long time ago. The state commercial departments have reaffirmed time and again the policy to stop it, but to no avail.

The hard-hit victims of forced selling are cigarette smokers. They often have to spend extra money to buy undesirable brands if they want to have good ones. Purchasers of washing machines, vegetables and stamps also suffered from it sometimes.

Economists here believed that it was the result of unsalableness of shoddy goods and the pressure from wholesale departments. "We understand our customers. But we cannot afford to avoid it because we buy cigarettes the same way from the wholesale department," said a shop manager.

But some shops deliberately practise forced selling to avoid stockpiling of goods. Some wholesale agents said they were also victims of hard selling by factories, which forced them to buy inferior goods in order to buy standard ones.

Government officials have offered suggestions to overcome this tendency, including readjusting the price system immediately according to the quality of goods.

Others called for strengthened supervision over the implementation of the existing rules.

ZHAO ZIYANG ON SCIENCE SUPPORTING DEFENSE WORK

OW170907 Beijing XINHUA Domestic Service in Chinese 1417 GMT 16 Apr 86

[By reporter Yu Youhai]

[Text] Beijing, 16 Apr (XINHUA) -- At Zhongnanhai today, Zhao Ziyang and other leading comrades at the central level held a discussion meeting with some 20 specialists in the electronics and shipbuilding fields in China to discuss matters of vital importance on how scientific and technical work for national defense can serve the motherland's modernization program.

Spring is very much in the air at Zhongnanhai with water rippling in streams. Willow trees are beginning to sprout, while early flowers contend in beauty. The specialists invited to attend the discussion meeting jubilantly came to the Huairan Hall to meet with the leading comrades at the central level.

At 1450, Zhao Ziyang and other leading central comrades arrived and shook hands with the specialists. Zhao Ziyang told them cordially: I am attending this meeting today primarily to hear opinions from you comrades.

Zhao Ziyang pointed out: China's scientists and researchers for national defense have worked hard over a protracted period and made significant contributions to tackling advanced technology and strengthening China's defense capability. They have helped to elevate China's status and win glory for the state and the people. Right now, we are developing the modernization program and exerting efforts to realize the goal of quadrupling the overall industrial and agricultural output value by the end of this century. We need our scientists and researchers in the military industries to throw themselves into this battle to serve the defense industry and national economic construction as a whole. Under the new situation, what is the task of the defense industry and how should we carry out our scientific and technical work for national defense? I hope that all of you will voice your opinions.

Professor Liu Shenggang, vice president of the Chengdu College of Telecommunications Engineering, was the first to speak. He said: Electronics technology is the key to modern scientific and technological development. From now on, we should train qualified personnel in this regard to lay a solid foundation, follow the development of high technology in the world and serve the four modernization program still better. Liu Shenggang said: In this connection, China's electronics industry should also make a still greater contribution.

Well-known hydromechanics specialist Gu Maoxiang proposed in his speech that the government support the existing scientific and technological research bases for national defense and at the same time open those bases to civilian industries to make full use of their equipment and technology. He also suggested attaching importance to seabed resources and striving to conduct research work on underwater high-technology.

When senior engineer Wang Huitong, a computer specialist, spoke, Premier Zhao Ziyang asked him: what kind of role should China's software play? Wang Huitong replied: The development of software is very important. That will promote the widespread application of computers. We must also attach importance to the development of hardware, because it is impossible to develop software without the support of hardware.

Comrade Li Peng also delivered a speech at today's discussion meeting. Also attending the meeting were Tian Jiyun, Hao Jianxiu, Song Jian, and the leading comrades of the National Defense Science, Technology, and Industry Commission, the Ministry of Electronics Industry and the China State Shipbuilding Corporation.

Also attending the discussion meeting were specialists Chen Xingxin, Chen Rihua, Liang Zhongheng, Zhang Guangyi, Xu Juyan, Liu Cunyou, Sha Qiliang, Mei Suisheng, Huang Xuhua, Xu Xueyan, Zhu Yuanjun, Shi Luzai (female), Huang Zhengyi, Chen Shizong, Deng Shanrui, Pan Jingfu, and Zhang Aiyong.

YU QIULI STRESSES PARTY RECTIFICATION IN PLA

OW211426 Beijing Domestic Service in Mandarin 2230 GMT 20 Apr 86

[Text] JIEFANGJUN BAO today carried on its frontpage excerpts of Comrade Yu Qiuli's speech at a meeting of the Party Rectification Investigation and Study Group sent out by the PLA General Political Department.

Yu Qiuli made five specific points. He also called for bringing into full play the role of the party branch as the fighting force, and the exemplary vanguard role of the party member through party rectification in order to continue to carry forward the fine traditions of our party and Army and enhance our Army's fighting capacity under the new historical condition.

PLA OPENS TACTICAL TRAINING CENTER IN EAST CHINA

OW230047 Beijing XINHUA Domestic Service in Chinese 1451 GMT 22 Apr 86

[By reporter Wu Dongfeng]

[Text] Nanjing, 22 Apr (XINHUA) -- The first joint tactical training center of the PLA was officially inaugurated today at a certain locality in east China.

This is reportedly the largest comprehensive training base with the most advanced equipment currently in our country. It is a new training site opened by the Central Military Commission to meet the needs following the reorganization of the field armies into group armies. It symbolizes that our PLA'S military training has entered a new stage of high-level training involving different services of the armed forces.

Li Peiji [2621 1014 1015], director of the joint tactical training center, told this reporter that, after construction of the center is completed, it will be able to provide the complicated battlefield conditions that ordinary training sites cannot provide, simulate various actions of an imaginary enemy, and organize PLA units to hold combat maneuvers combining air and ground forces. All units of group armies in the entire armed forces will come to this center on a rotational basis to undergo training, using an advanced combat-simulating laser system in an environment resembling the real battlefield. According to a stage-by-stage construction program, this training center will gradually form an effective training system within the next few years with the following features: An electronic installation to direct training exercises; a training site equipped like a real battlefield; all targets shown automatically; and a multifunctional organization setup.

LI PENG EXPLAINS DRAFT COMPULSORY EDUCATION LAW

OW180453 Beijing XINHUA Domestic Service in Chinese 0025 GMT 17 Apr 86

[Text] Beijing, 17 Apr (XINHUA) -- Explanation of the "Compulsory Education Law (Draft) of the People's Republic of China," made at the Fourth Session of the Sixth National People's Congress on 2 April 1986 by Li Peng, vice premier of the State Council and Chairman of the State Education Commission.

Deputies: The "Decision of the CPC Central Committee on Education Structural Reform" in May last year called for the formulation of a compulsory education law. After carrying out investigations and study and widely hearing opinions from the various provincial, regional, and municipal education departments and various circles in society, the State Education Commission has drafted the "Compulsory Education Law (Draft) of the People's Republic of China" (hereinafter referred to as the "draft"). The "draft" was submitted to the NPC Standing Committee for examination. In accordance with the post-examination views of the 14th and 15th sessions of the NPC Standing Committee, changes were made to the original. The revised version of the "draft" is the one now being submitted for examination by this meeting. Entrusted by the State Council, I shall now make the following explanation of the "draft."

1. The Need To Formulate the Compulsory Education Law

Since the founding of the New Republic, our country has made great progress in developing primary and middle school education, which has brought a fundamental change from the backwardness of old China in elementary education. In old China, only 20 percent of school-age children could go to school. Today, over 90 percent can. Progress in junior middle school education is even greater. The number of junior middle schools has increased from over 4,000 to nearly 76,000, a 1,700 percent increase; and the total enrollment of junior middle schools has increased from over 800,000 to nearly 40 million, an increase of 4,600 percent. But, generally speaking, China's elementary education is still relatively weak, and cannot meet the needs of our socialist modernization and construction. In a considerable number of rural areas, primary school education has not been made universal, and many school-age children, particularly female children, have not completed their primary school education. This has caused illiterates and semi-illiterates to continually appear among our young people and those in the prime of life. Many primary and middle school teachers lack the necessary training, and, in general, the teachers' education and professional level has failed to meet state standards. A considerable number of primary and middle school buildings are dilapidated and in poor repair, and teaching aides and cultural and sports facilities are seriously inadequate. This situation cannot but hamper the improvement in teaching quality. In some cities, towns, and villages, a salient problem is the dropping out of junior middle school students to find work or do manual labor. Some enterprises frequently hire school-age children and adolescents. This backwardness in elementary education cannot but arouse the concern and worry of the party and government, as well as that of the vast number of people of insight in society. They have arrived at a unanimous conclusion that this situation has presented a sharp contradiction to the grand goal of the people of the whole nation in building China into a wealthy, strong, civilized, democratic, and modern socialist nation.

Therefore, our country has an urgent need to formulate a compulsory education law as a legal basis for systematically enforcing compulsory education in the entire nation. It not only is called for by the construction of the socialist material and spiritual civilization, but also reflects the desire of the entire Chinese people.

The promulgation and implementation of the "compulsory education law" will mark the beginning of a new stage in the popularization of elementary education in China. With unremitting efforts, by the end of this century, school-age children and adolescents in an overwhelming majority of areas in China will be able to receive a 9-year school education, and the cultural and scientific qualities of the people of various nationalities in China will be raised to a new level. This will not only lay a good foundation for the fostering and training of various kinds of professional people, but also create necessary conditions for the success of the "two civilizations." It will also make our education "meet the needs of the four modernizations, the world, and the future," and have a far-reaching impact on our future social development and scientific and technological progress, both now and in the future. Therefore, the formulating and implementing of a "compulsory education law" is an important strategic measure related to the future of the state and the nation.

2. The Nature of Compulsory Education

In accordance with the law, compulsory education is an education for citizens, which every school-age child and adolescent must receive, and which the state, society, school, and family must guarantee. Implementing the compulsory education is an obligation of the state to the people, as well as of the parents to the state and society. The state and society must provide the conditions whereby every Chinese child and adolescent can receive certain years of education, as stipulated by law, and whereby all parents must ensure that their children receive such an education. Article 4 of the "draft" stipulates: "The state, society, schools, and families must guarantee, by law, the right of school-age children and adolescents to receive compulsory education." Article 15 stipulates: "Local people's governments at all levels must create conditions for school-age children and adolescents to go to school and receive their compulsory education." Other articles of the "draft" have made specific stipulations on obligations respectively shouldered by the state, society, school, and the family.

Compulsory education is mandatory in nature. Therefore, the "draft" has stipulated mandatory measures against failure to fulfill obligations. Article 15 of the "draft" stipulates: Regarding school-age children and adolescents, with the exception of those approved by local people's governments because of illness or other particular reasons, who have failed to enroll in schools for compulsory education, and the local government will carry out criticism and education against their parents or other guardians, and will take effective measures and order their parents or other guardians to send their children or other wards to enroll in schools." The same article also stipulates that "regarding those organizations or individuals hiring school-age children and adolescents, the local people's governments will carry out criticism and education against them and order them to stop such practices. In serious cases, they may be fined, ordered to suspend their businesses, or have their licenses revoked." Currently, some parents, because of their shortsightedness or for short-term economic gain, have made their school-age children drop out of school to join the production force or find other work.

Some parents, who are under the influence of feudalistic ideas, have made their school-age daughters or adolescent children quit school; and some organizations or individuals are hiring school-age adolescents for immediate economic interests. All these practices have deprived the children and adolescents of their right to receive a normal education, do harm to state and national interests, and damage the long-term interests of the children, adolescents, and their families. Therefore, mandatory measures are stipulated to guarantee the implementation of compulsory education. In enforcing mandatory measures, criticism and education come first. However, punitive measures must be taken against those few individuals or units not mending their ways even after criticism and education, or those committing serious offenses.

3. The School Age for Compulsory Education

Compared with the early years of the founding of the New Republic, China's economic, cultural, scientific, and technological levels, as well as the people's living standards, have made great progress. All this has exerted a positive impact on the Chinese children's intellect and physical development, and created favorable conditions for the children's intellectual growth. Based on the above-mentioned conditions and in the interests of China's long-range education development, Article 5 of the "draft" stipulates: "All school-age children, who have reached the age of 6, must be enrolled in schools for a prescribed period of compulsory education, regardless of their sex, nationality, or race." But it must be noted that currently, in an overwhelmingly large number of areas across China, primary school education begins at the age of 7. If all the primary schools were required to lower their school age to 6 in a short time, their teachers, school buildings, facilities, funds, and other needs could not be expected to meet the requirement. Particularly, the rural areas, where primary school education has not yet become universal, will face even bigger problems. Proceeding from reality, the various localities must create necessary conditions to gradually lower their primary school age to 6. However, they should proceed with caution, and pay close attention to the transition to avoid the situation wherein children of two different school ages are being enrolled in the same school year. Therefore, Article 5 of the "draft" stipulates that "areas where conditions are not yet ripe may delay the school age to 7."

4. The School System of Compulsory Education

Article 2 of the "draft" stipulates that it is necessary to "decide on the steps to make compulsory education universal according to the extent of local economic and cultural development." We currently have different types of system for our elementary and junior middle schools, including the "6-and-3" [6 years for elementary school and 3 years for junior middle school], "5-and-4," "5-and-3," and a 9-year system. The coexistence of different academic years is a characteristic of our current school system. In the countryside, most elementary and junior middle schools adopt the "5-and-3" school system. Under the present circumstances, when we have considerable difficulties in faculty, school buildings, equipment, and budget, to bring about a changeover from the "5-and-3" years system without adequate preparation will not contribute to the popularization of junior middle school education in our vast countryside. Therefore, in the course of implementing 9-year compulsory education, we should allow the existence of the "5-and-3" academic system in the transitional period.

However, in the long run, we must have a basic system for our elementary and junior middle schools. The establishment of a basic school system is a rather complex issue.

It should be established on the basis of investigation and study and after careful examination and discussion, in light of the characteristics of the physical and mental development of our children and in consideration of the needs of our social and economic development and other factors. Therefore, the "Draft" did not specifically make provisions on this issue but delegated the power to the "State Council departments in charge of education to work it out."

Whether or not to incorporate the primary vocational technical school into 9-year compulsory education and make it one of the types of school is another question related to the school system. In the course of deliberation, a majority of our comrades agreed that adding an appropriate number of vocational technical courses in the junior middle school curriculum suits our country's needs, especially the needs of rural economic development. However, there are different views on whether to make the primary vocational technical school, which is to be established separately, one of the different types of school for 9-year compulsory education. There are also different approaches to this issue abroad. Therefore, the "Draft" did not make specific provisions on this issue. The State Education Commission, the province, the autonomous region, or the municipality may decide on this issue and make relevant provisions in the detailed rules and regulations or measures on the basis of our experience gained from the existing primary vocational technical schools.

5. On Adhering to the Party's Education Principles

Article 3 of the "Draft" stipulates: "Compulsory education must adhere to the state's principles for education. Efforts must be exerted to improve the quality of education so that children and youngsters can have a comprehensive moral, intellectual and physical development, and so that a foundation will be laid for improving the quality of the nation through training ethical, educated, and disciplined builders of socialism having lofty ideals." This is an important guideline for 9-year compulsory education which all primary and secondary schools must adhere to. Currently, they must effectively reduce the students' schoolwork and guard against the lopsided pursuit of sending more students to study in schools of a higher grade. Primary and secondary school education must adhere to the principle of achieving comprehensive moral, intellectual, physical and aesthetic development, and they should provide an appropriate amount of labor education so that our young people can acquire a relatively comprehensive basic education. While constantly improving the teaching of languages and mathematics, they should also improve musical, artistic, and physical education to help students become better people with lofty sentiments, and lay a good foundation for intellectual, physical, and mental growth. Educational departments in various localities have been effectively dealing with problems in this area. For example, in areas where junior secondary education has been popularized, primary and junior high school students will gradually be able to attend schools near their homes, and primary school graduates will no longer be required to take a centralized examination in order to study in junior high schools. These areas are revising their educational program and curriculum to improve the quality of education and reduce the students' schoolwork, and they are also reforming and improving their ideological, moral, and political education. It is hoped that people in society will pay attention to, and support reform of primary and secondary school education and contribute to the growth of young people in all fields.

Now, I would like to comment briefly on the popularization of putonghua in the country. China is a huge country with many local dialects. To promote mutual understanding and cultural exchanges, as well as economic and social development, popularizing the use of putonghua is essential.

At the same time, China is also a country with many nationalities, and we must respect the languages of various minority nationalities. That is why Article 6 of the "draft" stipulates the "schools should popularize the use of putonghua," and that "schools which enroll mainly minority nationalities may teach using the minority nationalities' popular spoken and written languages." This article is in line with the spirit of what has been stipulated in the Constitution and the law on regional autonomy of minority nationalities.

6. The Implementation of 9-Year Compulsory Education

China is a big country with 1 billion people. Economic and cultural development is highly uneven in different parts of the country. Nine-year compulsory education must therefore be carried out in a practical manner and in a way appropriate to local conditions. On no account should we try to achieve arbitrary uniformity or attain unrealistically high targets. Guided by this general requirement, we have roughly divided the nation into three different categories. The first category consists of the economically and culturally developed regions. These are required to basically achieve 9-year compulsory education around 1990. The second category consists of regions with intermediate economic and cultural development, and they are required to basically popularize primary compulsory education around 1990, and take positive measures to achieve 9-year compulsory education 1995. The third category covers the economically and culturally underdeveloped regions. These regions are required to make efforts to have primary compulsory education popularized in most parts by the end of this century, in line with their economic development.

This categorization of three types of regions is based on national considerations. In fact, economic and cultural development in each province or autonomous region is not the same. Even in an economically and culturally developed province there may be economically and culturally underdeveloped districts and counties. By the same token, in an economically and culturally underdeveloped province there may be economically and culturally developed districts and counties. Development within a county may also be uneven. Such being the case, each province, each municipality, and even each county, must proceed from reality and draw up a realistic plan according to its own individual situation and then implement it systematically. Authorizing the various provinces, autonomous regions, and municipalities directly under the central government to map out their own measures and methods as well as their own timetable for popularizing 9-year compulsory education, the "draft" clearly stipulates in Article 2 that "each province, autonomous region, and municipality directly under the central government must decide on the steps to popularize compulsory education according to its economic and cultural development."

7. On Basic Education, for Which the Local Authorities Should Be Responsible, and on Enlisting Social Efforts To Promote Education

In the course of economic reform, China has also achieved remarkable successes in restructuring the administration of primary and secondary schools in recent years. The CPC Central Committee Decision on Restructuring the Educational System clearly delegates the responsibility for promoting basic education to local authorities, meaning that, under the State Council's guidance, the local authorities at various levels should divide the responsibility of administering the development of basic education. Article 8 of the "draft" sets forth clear-cut requirements in this regard. While appropriately delegating the administration of secondary and primary schools to lower departments, we have corrected the defect of overcentralization and aroused the enthusiasm of local governments at all levels in promoting education.

We must point out that the development of basic education has a close bearing on local prosperity, social stability and unity, and spiritual construction. Local governments should therefore regard the development of basic education as an important objective. With the development of the local economy, they must spend more money on education. While this is an obligation the local governments should fulfill, it is also essential for developing the local economy.

In promoting education, we must uphold the principle of "walking on two legs." This is an important experience China gained in popularizing primary education. It means that while the state assumes major responsibility in promoting compulsory education, it cannot possibly take care of everything in every field. This is why Article 9 of the "draft" prescribes: "The state encourages all enterprises, institutions, and other social sectors to set up all types of schools prescribed in this law, in accordance with basic government requirements and under the local governments' unified supervision." Enterprises, institutions, and other departments should not consider the responsibility of undertaking educational work as an irrational burden because promoting education is in their basic interests. On a voluntary basis and within their means, workers, staff, and peasants should be encouraged to donate money to assist educational development.

8. On Free Tuition in Compulsory Education

Free Tuition is an important measure in carrying out compulsory education, and a policy adopted by all countries in the world, especially economically developed countries, in carrying out compulsory education. Article 10 of the "Draft" provides that "the state provides for free tuition for students receiving compulsory education." This provides school-age children with even better opportunity to receive compulsory education.

The issue of whether a small amount of miscellaneous fees should be collected is quite complex. In principle, steps should be taken so that the miscellaneous fees can also be exempted. However, this should be realized step by step according to the local governments' financial situation; it is up to the people's governments of the various provinces, autonomous regions, and municipalities directly under the central government to decide according to their actual situations.

9. On Funds for Enforcing Compulsory Education and Conditions in Running Schools

Increasing the necessary operating funds and capital construction investment, and gradually improving conditions in running schools, are an important guarantee for enforcing compulsory education. Proceeding from the situation in our country, we must adhere to the principle of raising educational funds through various channels. To ensure that funds for enforcing compulsory education are available, Article 12 of the "draft" stipulates: "The growth rate of state financial appropriations for compulsory education should be higher than that of regular financial revenues, and the average expenditure per student enrolled in school should gradually be increased." It also stipulates: "The local people's governments at various levels should, in accordance with the State Council's regulations, levy extra charges for education in cities and towns mainly for the purpose of introducing compulsory education." Achieving "double growth" in raising educational funds has been put forward in the decision adopted by the central authorities on reforming the educational system. To achieve this "double growth," we must rely on central government financial resources on one hand and local financial resources on the other. We must support and ensure the funding from both sides.

The operating funds appropriated by the state for education under the "Seventh 5-Year Plan" period will reach 116.6 billion yuan, an increase of 72 percent as compared with those under the "Sixth 5-Year Plan." This rate of increase already exceeds the rate of increase of funds in our financial plan for the same period. To ensure that the average educational expenditure per student enrolled in school increases every year, we must not only rely on the efforts of the central government and the local governments at all levels, but also on the assistance of all sectors of society. Right now, while controlling the scale of capital construction, the State Council agrees to exclude the capital construction projects related to primary and middle schools and teachers colleges from its quotas. This is a policy to encourage people to promote education by raising funds themselves and an important measure to support the various social forces in enforcing compulsory education.

10. On Teachers for the Introduction of Compulsory Education

To build a sufficiently large, rationally organized, and relatively stable contingent of well qualified teachers is the key to enforcing compulsory education. To strengthen teachers education and train more qualified teachers for schools of all grades is a strategic problem in China's education. All sectors of society must pay full attention to this problem and give financial and material support. Article 13 of the "draft" stipulates: "The state shall take measures to improve teachers education; accelerate the training of qualified teachers, and systematically ensure that all elementary school teachers achieve the level of secondary normal school graduates or better and that all junior high school teachers attain the level of normal school graduates or better." Naturally, it is necessary to achieve this goal step by step, according to the actual conditions in the respective areas. Under no circumstances should we rush headlong into mass action and practice formalism without taking into consideration the various conditions.

Right now, China has more than 7.5 million elementary and junior high school teachers. They have made tremendous contributions to the people's educational cause. To meet the needs of the 9-year compulsory educational system, we must, on the one hand, develop and reform teachers education while training and adding new teachers. On the other hand, we must adopt various forms and use various means to train the current teachers and improve work. To strengthen on-the-job training by means of correspondence and television education is an effective method. We will make use of the television satellite to open up special educational channels to help train primary and middle school teachers. In training the current elementary and junior high school teachers, we must gradually set up a regular system of learning by closely following the principle of learning whatever is taught and making up for whatever we lack. Those who pass examinations may be given various certificates indicating academic levels equivalent to those of a normal school, teachers' college, or university graduate.

Gradually raising the social status and economic benefits of primary and middle school teachers and attracting more outstanding teachers to teach in primary and middle schools are fundamental measures to preserve and improve the quality of teachers. It is for this reason that Article 14 of the "draft" stipulates: "The whole society should respect teachers. The state shall protect teachers' legitimate rights and interests, take measures to raise their social status and improve their material benefits, and commend outstanding teachers." Last year, we made public the "Decision of the CPC Central Committee on Reforming the Educational System," celebrated the first Teachers' Day since the founding of the nation, and raised the pay of primary and middle school teachers.

The general mood in society of respecting teachers and attaching importance to education was given full play. From now on, we must continue to display the spirit of "talking less and performing more actual deeds," and practically solve actual problems in improving teachers' living and working conditions, particularly those of teachers hired by the local people. Teachers continuously carry out their work under fairly difficult working conditions, and make contributions to the people's educational cause. From now on, teachers hired by the local people in any locality should be treated in the same way as their counterparts hired by the government, politically as well as socially, whenever they are being considered for promotion or for election as advanced teachers.

By respecting teachers, the whole society imposes even higher demands on teachers. Teachers must continue to raise their ideological, cultural, and professional standards. They must not only teach but also educate people. Only by being truly worthy of their name as teacher, will the masses of teachers justify the great trust placed in them by the party, the state, and the people. People's teachers hold glorious posts. The state should impose strict demands on teachers. Article 13 of the "draft" stipulates: "The state shall establish a system to evaluate teachers and issue certificates to qualified teachers." Therefore, the promulgation and enforcement of the "law on compulsory education" will create even better conditions, and at the same time impose even higher demands on teachers. Teachers should play their leading, exemplary role well in the course of enforcing the "law on compulsory education."

The "draft" contains principled stipulations on all major issues concerning the enforcement of compulsory education. However, the stipulations cannot be made very specific. Therefore, Article 17 of the "draft" stipulates: "State Council departments in charge of education shall work out detailed rules and regulations on the basis of this law, and enforce these rules and regulations after submitting them to the State Council for approval." It also stipulates: "All provincial, autonomous regional, and municipal people's congress standing committees may formulate concrete measures for introducing compulsory education on the basis of this law and in the light of actual conditions in the localities." For this, it is necessary for us to bring into full play the spirit of making reforms, carry out practice, and continuously sum up our experience so as to gradually improve China's compulsory education.

Deputies, the formulation of the law on compulsory education is a major event that affects the future of the state and the nation. It has a close connection with the masses of workers, peasants, intellectuals, and the PLA and tens and thousands of families. The "draft" is still not perfect, although we have quite extensively solicited the opinions of various sectors of society and it has been repeatedly revised. All deputies are welcome to continuously offer their opinions for the revision of this "draft."

RENMIN RIBAO Commentary

HK230507 Beijing RENMIN RIBAO in Chinese 18 Apr 86 p 3

[Commentator's Article: "A Great Event in China's Education History"]

[Text] The "PRC Law on Compulsory Education" has been officially promulgated. This is a great event in China's education history.

Its promulgation indicates that China has established a system of universal compulsory education and that China's basic education has developed to a new stage.

Basic education is of fundamental importance to the rejuvenation of the state and the takeoff of the nation. Doing a good job of basic education is of great strategic significance to improving the quality of the Chinese nation and stimulating the building of socialist material and spiritual civilizations. Without changing the backward outlook of China's current basic education, it would be difficult to achieve the four modernizations. Historical experience has proved that in strengthening basic education it is far from sufficient to rely on general calls and administrative measures alone; it is also necessary to guarantee it by law. For this reason, in the compulsory education law recently promulgated, China defines two stages of the basic education, namely primary education and junior secondary school education, totaling 9 years, as compulsory education which all children and adolescents of school age must receive and which the state, society, schools, and families should ensure according to the law.

Guaranteeing basic education in the form of a law is a global trend following the progress of modern educational undertakings. In China, since the Qing Government began raising the question of compulsory education in the "regulations on compulsory education" promulgated in 1906, all subsequent Chinese governments have raised the slogan of "universal education" or "compulsory education." However, due to corrupt politics, a backward economy, and the people's dire poverty at that time, compulsory education actually became a mere formality. After the founding of the PRC, the party and government explicitly put forth the task of making primary education universal throughout the country and regarded it as a major national policy. Over the past 30-odd years, tremendous achievements have been attained in China's educational undertakings, thus changing once and for all the backward conditions in old China, in which some 80 percent of the population was illiterate. Now, 95.9 percent of the children of school age attend primary schools. However, in a considerable number of the rural areas primary education has not been universal and there are still a sizable number of illiterate or semi-illiterate people. There are various reasons for this, such as the damage caused by the "Great Cultural Revolution" and the faults in our work. However, an important reason for this is our failure to formulate a compulsory education law conforming to our national conditions and to conscientiously carry it out. In the "decision of the CPC Central Committee on the Reform of the Educational Structure" issued last year, the CPC Central Committee set forth the task of formulating and promulgating a law on compulsory education. Now, the first complete and well-considered law on compulsory education in China's history has finally come into being. The educational circles and those in all walks of life have looked forward to this law for a long time. The party and government also attach great importance to this. The examination and approval of this law by the NPC precisely reflect the will of the people throughout the country. In the new period of socialist modernization, we have full confidence in our ability to implement the compulsory education law satisfactorily.

Implementing the compulsory education law is an extremely serious task! Having been without a perfect legal system for a long time, quite a few cadres and people have not been mentally prepared to observe the compulsory education law. In addition to taking the lead in observing the law in an exemplary way, the party committees and government at all levels, particularly the judiciary, propaganda, and education departments, should also conduct extensive publicity and education among cadres at all levels and the masses so that they can understand that the compulsory education law reflects the fundamental interests of the entire people.

By conducting publicity and education in the compulsory education law we should foster two concepts among the cadres and the masses. First, receiving a specified period of compulsory education is a minimum requirement to educate qualified citizen. This is not only the right of every citizen but also his duty toward the state and the nation. Second, like other laws that have gone into effect, the compulsory education law is a mandatory one, which the whole society must observe and not violate.

In implementing the compulsory education law, we should create the necessary material conditions, possess the capability to make the 9-year compulsory education universal and, in particular, train a sufficient number of qualified teachers. This task should principally be assumed by the local governments at all levels and should be fulfilled step by step and in a planned way in light of the specific conditions in various localities. Learning to rely on the law to manage and develop basic education will surely be a good beginning in reinvigorating China's educational undertakings and improving the quality of the Chinese nation.

QUESTIONS ON FOREIGN-OWNED COMPANIES LAW ANSWERED

HK230811 Beijing CHINA DAILY in English 23 Apr 86 p 2

[By Staff Reporter Xu Yuanchao]

[Text] The National People's Congress recently adopted a law on wholly owned foreign companies that encourages foreign investors to put up funds for China's modernization.

The law was promulgated after 120 such enterprises were established in China. Chinese lawyers say the law provides for general principles with detailed rules and regulations for implementation to be formulated by departments of foreign economic relations and trade under the State Council.

Since the law was published, many questions have been raised by foreign businessmen. The C & C [expansion unknown] Law Office provided CHINA DAILY last week with explanations of the new law.

Question: Can foreign investors use Chinese renminbi as equity capital when a new enterprise is launched in China?

Answer: As I understand, they cannot. Foreign investors must invest in foreign currency, but renminbi can be used to expand production once the enterprises has earned profits.

Q: Who decides whether or not technology and equipment used by a wholly owned foreign enterprises are up-to-date?

A. Technology and equipment must be approved by a Chinese department, usually the State Science and Technology Commission.

Q: Does a foreign enterprise have the right to export its products directly or must it go through a Chinese foreign trade department?

A: The foreign enterprise has the right to export its own products. If the sales posed a competitive threat to Chinese exporters permission to set up the company would not have been given.

Provisions detailing lines of business prohibited for wholly owned foreign enterprises will soon be made by the State Council.

Q: Under what circumstances can the State expropriate wholly owned foreign companies?

A: Foreign enterprises can only be expropriated under special circumstances. The government, for example, may exercise the right of eminent domain for construction of public works, such as airports or railway lines. Such a right extends over Chinese as well as foreign enterprises.

When a foreign enterprise is to be expropriated, the Chinese authorities must properly compensate the loss based on the evaluation of both domestic and foreign accountants.

COMMENTATOR ON BEST USE OF EXISTING FUNDS

OW230521 Beijing XINHUA Domestic Service in Chinese 0816 GMT 22 Apr 86

[XINHUA commentator: Strive To Improve Economic Results in Using Available Funds for Enterprises]

[Excerpts] Beijing, 22 Apr (XINHUA) -- Currently, many enterprises are faced with the problem of a shortage of circulating funds for production. However, the city of Changzhou had opened way to improve the tense situation in the use of funds by tapping the potential and improving the economic results in the use of existing funds.

Over a protracted period, all funds in our enterprises -- those for basic capital construction projects to the circulating funds for production -- are allocated by the state. There is no need for the enterprises to repay capital with interest, and no one cares to check the economic results in the use of funds. As a result, the more funds an enterprise uses, the poorer its economic results are in the use of funds.

In an effort to tap the potential in the use of funds its departments in charge of financial and economic affairs to help enterprises carefully balance their accounts and carry out such work in a down-to-earth manner. In July 1985, the departments in charge of financial and economic affairs in the City of Changzhou organized special groups to help enterprises balance their books. After carefully checking the supply of raw and semi-finished products, the inventory of finished products in the warehouses and the accounts receivable, they had found that over 100 million yuan were receivable.

It must be realized that to strive to improve economic results in the use of existing funds will not only alleviate the tense situation in the supply of funds for production in the fields of industry and communications, but also fundamentally improve the management of China's industrial enterprises. It is hoped that all relevant departments fully realize the significance of this issue and carry out this work in a down-to-earth manner.

RENMIN RIBAO ON GRASPING GRAIN PRODUCTION LINKS

HK220049 Beijing RENMIN RIBAO in Chinese 16 Apr 86 p 1

[Commentator's Article: "Grasp Every Link in Grain Production"]

[Text] Some 40 days have passed since this newspaper published on 5 March its commentary entitled "Grasp the Crucial 100 Days" on this year's national agricultural production. At present, the northernmost province Heilongjiang has also begun spring sowing. In the previous stage, the spring plowing situation in various localities was better than in former years.

Leaders at various levels attached importance to agriculture and grain production and took such measures as providing some chemical fertilizers and diesel oil for farm use, extending funds for agricultural production, and instituting a grain purchase system under which rewards are to be given to grain contractors who fulfill the grain quotas as prescribed in their contracts. Their measures were well received by the peasants. Consequently, the peasants' enthusiasm for growing grain has run higher. They have become more vigorous in developing diversified undertakings than in previous years. Summer grain crops promise a good harvest. The situation in grain production is gratifying as a whole.

The summer harvest is a little over a month away now. The crops to be harvested this fall have just been sown. A good beginning does not necessarily mean a good harvest, so we must not relax. At present there are some specific problems cropping up in production which warrant urgent solutions. The peasants are very pleased with the State Council's circular on price cuts for ordinary chemical fertilizers. Some localities have implemented the circular and others have not, because the problem of financial subsidies have not been solved. In many localities, grain farmers have been scrambling to compensate for shortages of chemical fertilizers, diesel oil, and electricity for farm use; farm tools and implements; and improved seeds. The departments concerned in some parts of the country have not yet signed grain and cotton purchase contracts with the peasants, making it impossible for farmers to know just how much to plant. All these problems will seriously affect spring sowing and the smooth management of the summer's grain crops. It is hoped that the departments concerned at various levels in all parts of the country will take prompt and effective measures, conscientiously solve problems, and avoid delaying the right season. The principal leading cadres in various localities are urged to personally solve some of the problems by making overall plans and taking all factors into consideration. Only in this way can problems be solved thoroughly.

This year's summer grain production has entered the crucial stage of field management. As the saying goes, "If we promote the fall harvest with the summer harvest, there will be a bumper harvest throughout the year. If we make up for a lean summer harvest with the fall harvest, a bumper harvest over the year is not certain." This is the precious experience of the peasants. With regard to summer grain production, a good job should be done in spring irrigation, top-dressing, and weeding and attention should be paid to the prevention and control of plant diseases and elimination of pests. After fall grain crops are sown, we should ensure the seedlings will grow smoothly and sturdily with a high survival rate. Rice seedlings should be raised properly. If we carefully attend to these links of farm work, we will be able to reap a bumper harvest in summer grain production and proceed to reap a bumper harvest in fall grain production.

China's grain output dropped last year due to natural disasters. It is not at all surprising that there are both bumper and lean harvests in agricultural production. At the same time, since before 1985 we had good harvests several years in a row, last year's decreased production has not damaged the country's overall supply of grain. However, agriculture is the foundation of the national economy and grain is the foundation of agriculture. Central Document No 1 of 1986 urges us to further put agricultural production in its proper place, to increase investment in agriculture, and to do all we can to ensure good harvests in grain production. This year we must strive for a harvest better than last year's.

At present, at a time when flowers are blooming in the warm spring, a small number of southern provinces have been hit by snowstorms and hail. Although the areas hit by the disasters are insignificant in size in terms of the country as a whole, we must note these unfavorable factors in our fine situation and raise our willingness to carefully attend to every link of grain production and of our work. We must never slacken our efforts.

RENMIN RIBAO VIEWS SOCIALIST CAPITAL MARKET

HK181045 Beijing RENMIN RIBAO in Chinese 7 Apr 86 p 5

[Article by Yang Peixin: "A Probe Into the Establishment of a Socialist Capital Market in China"]

[Text] The Rise of a Socialist Capital Market in China

Due to the changes in ownership and economic policies since the 3d Plenary Session of the 11th CPC Central Committee, the situation of capital has undergone major changes. Thanks to the implementation of the contracted responsibility system with payment linked to output, fixing output quotas for individual households in rural areas, and the measures taken to raise the purchase prices of farm and sideline products, the peasants now have money to expand the scale of their production. The number of workers and staff members employed totals tens of millions. With an increase in their wages and bonuses, they have more money to spend. Following the allocation of decision-making power, enterprises can retain part of their depreciation funds and profits. After the imposition of income taxes, enterprises began to have their own funds. As a result of local finance setting up separate accounts, the locality, department, and unit could all have some extrabudgetary funds. As the portion of the national income distributed among the peasants, workers, enterprises, and localities cannot be collected by the financial departments unconditionally, the functions of pooling funds have been gradually transferred to the banks.

The supply of funds for expanding production has also changed correspondingly from the single channel of financial allocation to four main channels. The case in 1983 was as follows: 1) The financial allocation channel: The investment called for by the budget in 1983, including the portion from investment in capital construction used for expanding production, the additional funds allocated for circulation, and the outlay for testing new products, totaled around 29.6 billion yuan. The portion from investment in capital construction used for non-productive projects and the loans granted by the World Bank and other organizations are not included in the sum. 2) The bank channel: Banks absorbed savings totaling over 30 billion yuan. If the additional currency issued and remittances are added, the total funds provided would be 47 billion yuan. 3) Social funds: The pooling of social funds started in 1980 and developed on a considerable scale in 1983, totaling around 20 billion yuan. The sum included the extra-budgetary investment and savings deposits of urban and the rural people (not including the peasants' funds invested in production). 4) Foreign capital: Foreign investment in 1983 totaled \$3.4 billion, or 10 billion yuan when converted into renminbi. The fixed and floating capital derived from the above four channels totals around 110 billion yuan. Through these four channels, we have respectively solved the problem of funds needed by the state, peasants, collectives, localities, sino-foreign joint ventures, and enterprises with exclusively foreign investment.

Viewed from the above four major capital channels, a socialist capital market has appeared in an embryonic form. In the course of its development, China's socialist capital market will inevitably take shape.

The Socialist Commodity Economy Needs a Capital Market

Why did four major channels appear in the supply of funds and why are they developing toward a socialist capital market?

It is the inherent demand of the socialist commodity economy. A commodity economy requires a centralized commodity market in the country and at the same time allows technology to flow into the market as a commodity. It is also necessary to implement the policy of opening up to the outside world and to let our commodities flow into the international market. Correspondingly, we must have a market for the means of production and a labor market that can rationally distribute qualified personnel and manpower. In addition, we must also have a socialist capital market. Instead of supplying funds exclusively through a single channel and allocating funds with the approval of the administrative organs, a capital market should involve the financial organs of the state, the collective, Overseas Chinese and foreign invested enterprises, and Sino-foreign joint ventures, and should allow various means of funds collection including the issuance of shares and company bonds, application of foreign loans. Only in this way can we encourage competition, extend coverage, and enable enterprises to compare and select the most reasonable and beneficial means of capital supply. The capital market should follow economic laws, the interest rates should fluctuate reasonably, and both principal and interest should be paid. Enterprises should strive to attain better investment returns and have a correct understanding of capital and interests. Only by establishing various forms of capital markets at various levels can enterprises obtain the funds they need for expanding production and can we ensure independent operation of enterprises, arouse their initiative, and attain better economic results. Only by establishing a socialist capital market can China extricate itself from the capital supply system that offered free use of funds, that required no payment of interest, and that produced poor investment returns. Therefore, it is an urgent need of China's economic reform to establish a socialist capital market.

Compared with a capitalist capital market, China's capital market has the following characteristics: 1) The financial organs of the socialist state occupy a dominant position while those of the collectives, joint state-private ownership, and Overseas Chinese and foreign invested enterprises occupy a supplementary position. 2) The funds come mainly from the peasants, workers, enterprises, organs, and institutions, and there stratum that lives mainly on interest does not exist. 3) Although China's capital market is connected with the international financial market, the relations between the two are not closely maintained. As China has a great demand for foreign exchange in the course of its construction, it is necessary to exercise management over foreign exchange. Because renminbi is not convertible to foreign currency, capital cannot flow in or out freely.

The Problems to be Probed and Solved

1. We must turn the banks into genuine banks and expand the decision-making power of the financial enterprises, particularly the organs of the specialized banks at the grass-roots levels, so that the banks have motivation, some outside pressure, and vitality. The capital market, also called the financial market, includes banks, trusts and investment, insurance, securities, and foreign exchange organs and their respective markets. The banks are the main body of a capital market. Both fixed and floating funds of enterprises come principally from bank loans.

In order to establish a capital market, it is necessary to first accelerate the reform of the financial system and turn the banks into banks that can truly perform their functions. Although we have achieved marked success recently in banking reform, so far, the old system of a state monopoly over savings deposits and granting loans (turning over savings to the state and applying for loans from the state) and a state monopoly over revenue and expenditure (turning over revenue to the state and requesting approval for expenditure from the state) has not yet been transformed. As a matter of fact, the banks were taken as administrative units. They received outlay for operations and training cadres and the bonuses and welfare benefits for staff members and workers from the higher authorities. This method hindered the development of the banks. In order to transform this state of affairs, the organs of the specialized banks at the grass-roots levels should link savings and loans, and revenue and expenditure, and relate the business development of the banks to the interests of the grass-roots organs and workers. With increased savings, the banks can grant more loans, and with more revenue, they can retain more. By doing so, we can encourage the banks at the grass-roots levels to draw more savings, withdraw currency from circulation, improve their loan-granting work, attain better results from the granting of loans, and diminish the losses incurred from bad debts. On the basis of earning more, the banks can use more outlay to computerize their operations, train cadres, improve the quality of banking cadres, and put an end to the backwardness of the banks as quickly as possible. It is necessary to have competition among the banks so that they have motivation from within and pressure from outside and can display their abilities through competition.

The current reform of the financial system should be focused on increasing savings deposits, improving services, and attaining better results from the capital. The key to realizing this objective lies in maintaining ties between savings and loans, and between revenue and expenditure, and stimulating the enthusiasm of the banks at the grass-roots level, thus putting an end to the current decline in financial undertakings.

2. We must bring the financial allocation channel of capital supply into the centralized capital market, correspondingly carry out reform, and establish a fixed capital market with the Construction Bank as its center. Since the 3d Plenary Session of the 11th CPC Central Committee, the change from financial allocation to loans granted by the Construction Bank has produced fruitful results and proved that the economic results of granting loans are better than financial allocation. However, the old system was not thoroughly reformed. The projects were still determined by the State Planning Commission and the funds allocated by the Ministry of Finance.

The following steps can be considered for bringing financial allocation into the long-term capital market: 1) The Ministry of Finance should deposit capital construction investment into the construction fund of the Construction Bank each year. The Ministry of Finance should undertake responsibility for allocation according to the budget while the Construction Bank will pay interest to the Ministry of Finance every year. The Ministry of Finance is just a depositor of the construction bank. 2) Feasibility studies, comparisons, and selection of the specific projects should be conducted by the construction bank and submitted to the State Council for approval. The State Planning Commission should be responsible for development strategies and long-term plans, rather than deciding on specific projects. The responsibility for overall planning goes to the State Planning Commission, while that of policy decisions goes to the Construction Bank. 3) Turn the Construction Bank into a genuine bank so that it can undertake the economic responsibility for making investment policy decisions.

4) Turn the Construction Bank into a long-term credit bank. Besides granting loans, it should maintain 10 percent of the investment so that it can join and control the board of directors, the Construction Bank should help enterprises work out development plans and improve their operations and management. Meanwhile, it should ensure that state property is maintained intact and that is appreciates, it should manage well the year-end accounts and distribution of bonuses, and retain sufficient money for accumulation and reserve funds to prevent excessive consumption. 5) If the financial allocation for construction funds is not sufficient, the Construction Bank may issue financial bonds or issue stocks and bonds on behalf of enterprises. Funds can also be mustered by inviting the localities, enterprises, collectives, masses, foreign capital, and other beneficiary units to make investment in a certain project. 6) The Construction Bank should use economic statistics and information to acquire a balance between construction investment and capital construction materials and manpower. It should take note of market information concerning capital construction materials, provide information to the government and society, and have the scale of investment in capital construction under control. It should also expand the capacity for capital construction by supporting the development of the building materials industry and the building trade.

The establishment of a perfect fixed capital market has the advantages of strictly following the economic laws, fundamentally checking the investment craze, eliminating the overexpanded scale of investment, preventing the waste caused by mistakes in investment policy decisions, and effectively attaining better economic results.

3. We must correctly guide the acquiring of social funds and vigorously create conditions for issuing stocks in society and establishing a long-term capital market. In 1984, the pooling of social funds developed rapidly. For example, the funds collected by Guangdong's Dongwan County totaled 600 million yuan. The rural areas gathered funds to run enterprises; urban enterprises issued stocks to staff members and workers; and the large energy and communications projects pooled funds from the central and local authorities, enterprises, and the masses. Such a direct means of gathering funds can generally produce better investment returns because the investors and producers are directly related to each other.

The trust departments of the Construction Bank, the Industrial and Commercial Bank, Agriculture Bank, and the Bank of China should be instructed to correctly guide the gathering of funds and create conditions for the issuing of stocks.

The issuing of stocks should be carried out first in the enterprises where production and operations are proceeding fairly well so as to build up creditability as quickly as possible. The issuing of stock and the establishment of a stock exchange can first be carried out in Guangzhou, Shanghai, Tianjin, and Wuhan. Prior to the establishment a stock exchange, the trust departments of various specialized banks should undertake the work concerning registration and transfer of stocks and bonds.

4. We must import foreign capital and accelerate our economic development. China's import of foreign capital gradually increased through the following channels: First, the government obtained long-term loans with low interest from the World Bank and Japan's overseas foundation [hai wai xie li ji jin hui 3189 1120 0588 0500 1015 6855 2585]. Second, the Bank of China transferred funds from its branches in Hong Kong and Singapore, borrowed money from foreign banks, and granted foreign exchange loans within the country. By the end of 1984, accumulated foreign exchange loans reached over \$20 billion, of which 90 percent were granted over the past 6 years.

Third, the China International Trust and Investment Corporation and the Bank of China issued bonds in Japan, Hong Kong, and West European countries to attract funds and grant loans within the country. Fourth, foreign and Overseas Chinese businessmen made investment in China by running enterprises in which they exclusively invested of Sino-foreign joint ventures. Investment made by Overseas Chinese businessmen has already flowed into the field of energy, communications, and other key construction projects. For example, Gordon Wu invested \$470 million in the first phase project of the Guangzhou-Shenzhen expressway, \$450 million in the 700,00 kilowatt thermal power station in Shajiao in Dongwan County, and \$60 million in the Shenzhen railway station project.

As the import of foreign capital is conditioned by China's foreign exchange income from exports and tourism, the capital imported should be used first to develop marketable export goods that can increase our foreign exchange income and create better conditions for the use of foreign capital. China has a favorable condition for importing foreign capital, and this is Hong Kong, the third international financial center, which radiates through the Asian and Pacific region. We can gain special advantages from our favorable position. However, we are also conditioned in this respect by the operations and management level of our domestic enterprises. The interest rate on the international financial market is around 7-10 percent, while our enterprises cannot even bear the loans granted by domestic banks at the interest rate of 6-8 percent. Herein lies a question of improving our operations and management level and gradually increasing profits. Only by solving this problem can we have the opportunity to use more foreign capital.

The fundamental point of establishing a socialist capital market is to completely abolish the system set up under the rigid pattern which distributed funds in an administrative manner. This includes the distribution of budgeted investment by administrative organs which required no repayment of principal and interest, which did not make feasibility studies, and which failed to conduct scientific and technological deliberations. It also includes the credit system characterized by state monopoly over savings and loans and over revenue and expenditure, which stipulated that an enterprise is allowed to open an account only at a certain branch of a bank, which prohibited transfer of funds among enterprises, and which prohibited the development of horizontal financial ties among the banks. The establishment of a socialist capital market requires the demand and supply of capital to follow market principles. As a long-term credit bank, the Construction Bank should undertake economic responsibility and work out policy decisions by itself, conduct feasibility studies, and make investment or grant loans to the projects that can bring about better investment returns. The grass-roots organs of various specialized banks should assume sole responsibility for their profits and losses and acquire funds for expenditure by attracting savings, granting loans, and expanding their business. The banks may select and grant loans to the trustworthy enterprises they think appropriate. Enterprises may also choose the banks that provide better services and apply for loans from these banks. The relations between banks and enterprises are the relations between legal entities based on equality. Therefore, the establishment of a capital market includes the issuing of stocks and bonds, a long-term capital market, and also some essential changes such as the transformation from financial allocation to loan-granting and turning the banks into enterprises.

NO CHANGE SEEN IN SPECIALIZED HOUSEHOLDS POLICY

HK200830 Beijing RENMIN RIBAO in Chinese 19 Apr 86 p 1

[Commentator's Article: "Developing Specialized Households Is a Long-Term Policy"]

[Text] A symptom that merits attention has recently appeared in some of the rural areas: Some people say that all the gains of the specialized households that became rich ahead of others were ill-gotten, and some cadres no longer support the specialized households. Some specialized households have become anxious and dispirited; fearing that some campaign is going to descend on them, they have asked that all the projects they operate and the money they have made be handed over to the collective, or else they engage in some far-from-voluntary gratis assistance and donation raising activities. Many peasants are asking whether the policies will change again.

There is no change in the party's policy of allowing and encouraging some people to get rich ahead of others through hard work, nor will there be any change. The emergence of the specialized households is a great fruit of the rural reforms of the past few years. The higher productivity, commodity rate, and economic results that the specialized households pursue are of markedly progressive significance for breaking China's heavy tradition of the small peasant economy and for developing the commodity economy. The transmission, leader, and demonstration role they play in their production operations is bound to lead increasingly large numbers of peasants forward to embark on the road of getting rich.

The CPC Central Committee pointed out in its "Circular on Rural Work in 1984": "The specialized households that have emerged in the rural areas on the basis of practicing the contract responsibility system with payment linked to output take the lead in getting rich through hard work, in developing commodity production, and in improving production technology. They are a new-born thing in rural development, and should be cherished and actively supported." Developing specialized households is certainly not just an expedient but a long-term policy. The party will gradually develop and perfect a diversified cooperative system in accordance with the principle of mass voluntariness and the requirements of the development of the rural productive forces. However, household contracts (including specialized household contracts), as an indispensable level in the cooperative economy, will be developed and strengthened, and certainly not weakened or abolished. The individual economy (including specialized households operating undertakings themselves), as an essential supplement to the socialist economy, will also be allowed to exist and develop. Practice has proven that the past cooperativization method of "belonging to a big crowd" and the practice of not allowing the individual economy to exist were extremely harmful. In the process of developing the socialist planned commodity economy, our party will adhere for a long time to come to the principle of having the state, the collective, and the individual all working together.

It is a fact that in recent years a very small number of peasant households have made ill-gotten gains by flouting discipline and the law. However it is essential to distinguish between this very small number and the overwhelming majority of law-abiding specialized households; between violating the law and discipline and invigorating the economy; and between accepting the necessary invitations in the course of commodity exchange on the one hand, and bribing and corrupting state work personnel on the other.

Strengthening the socialist legal system, rectifying the party style, and promoting a turn for the better in social mood are all aimed at spurring the smooth progress of rural reforms and the further prosperity of the rural economy. The law-abiding specialized households who get rich through hard work are pioneers in rural reform and in developing the rural economy. Their production operations and the benefits they derive from them should enjoy legal protection and social respect. At present, specialized households only account for a very small proportion of rural households, and their growth as independent commodity producers is still far from mature. They should be cherished all the more on that account. The party and government departments at all levels must do a good job in explaining and implementing the policies, and encourage the specialized households to continue to develop production, make a success of their operations, and get rich through hard work.

Due to the long period of "leftist" policies in the past and the more or less universal impact of the traditional idea of egalitarianism in the rural areas, in the early days of the specialized households some of them acted like birds frightened by a bowstring, saying, "Having seen the initial results, we will go no further." Moreover many specialized households frequently donate money to the collective and to individuals. In some cases this is voluntary, but in others it is done because they come under all kinds of pressure and are left with no choice. There is nothing arguable about suitably commending specialized households who have gotten rich ahead of others for voluntarily making whatever contribution they can to society, but we should not create any visible or invisible pressures to force the specialized households to "provide assistance" and "donate." The true contribution to society made by specialized households who have gotten rich through hard work lies not in providing assistance and donations, but mainly in their probing, pioneering, and demonstration role in extricating people from poverty and making them rich, and in their role in developing the rural productive forces. This is the most important kind of contribution.

LEADERS WRITE FOR BEIJING SCIENCE MONOGRAPH

SK112226 Beijing BEIJING RIBAO in Chinese 31 Mar 86 p 1

[Text] A scientific monograph, "Jinri Beijing" ["Today's Beijing"], published by the Beijing Yanshan Publishing House, will be distributed for sale very soon. Organized by the Beijing Social Sciences Research Institute and compiled by more than 60 central and municipal units in Beijing, this monograph systematically and comprehensively introduces and discusses the course of the development of and various achievements in Beijing since 1949, involving Beijing's natural geography, long history, urban planning and construction, agriculture, industry, commerce, foreign trade, and cultural undertakings. It reflects the development and changes in Beijing since liberation, particularly since the 3d Plenary Session of the 11th CPC Central Committee. This monograph, which comprehensively and systematically reflects the course of the development of a city since the founding of the PRC, is the first of its kind in China.

Ye Jianying, Peng Zhen, Nie Rongzhen, and Wan Li wrote poems and articles for this monograph. Chen Xitong wrote a preface for it.

CENTRAL LEADERS, OTHERS HONOR LATE CPC ADVISER

OW110817 Beijing XINHUA Domestic Service in Chinese 1752 GMT 10 Apr 86

[Excerpt] Beijing, 10 Apr (XINHUA) -- Party and state leaders Li Xiannian and others paid last respects to the remains of Comrade Gan Weiha, loyal Communist fighter, outstanding leader of political work of the PLA, and member of the Central Advisory Commission of the CPC, at the Hall of the Babaoshan Cemetery this afternoon. Comrade Gan Weiha died of illness in Beijing on 1 April 1986, at the age of 78.

Hu Yaobang, Yang Shangkun, Yang Dezhi, Yu Qiuli, Qin Jiwei, Wang Ping, Li Desheng, Xiao Ke, Duan Junyi, Geng Biao, Liao Hansheng, and Hong Xuezhong called on Comrade Gan Weiha at the hospital when he was critically ill. Comrade Song Renqiong extended regards on the telephone.

The remains of Comrade Gan Weiha lay quietly amid green cypress and clusters of flowers. Wreaths sent by Hu Yaobang, Deng Xiaoping, Zhao Ziyang, Li Xiannian, Chen Yun, Peng Zhen, Deng Yingchao, Xu Xiangqian, Nie Rongzhen, and Ulanhu lined the hall of the cemetery. He Jianying and Lui Bocheng also sent wreaths.

Those who also paid last respects to the remains of Comrade Gan Weiha were: Wan Li, Xi Zhongxun, Tian Jiyun, Yang Shangkun, Yang Dezhi, Yu Qiuli, Yao Yilin, Chen Pixian, Wang Zhaoquo, Bo Yibo, Wang Ping, Wang Shoudao, Wu Xiuquan, Liu Lantao, Li Desheng, Xiao Ke, Song Shilun, Chen Xilian, Duan Junyi, Geng Biao, Wang Heshou, Han Guang, Peng Chong, Wang Renzhong, Ye Fei, Liao Hansheng, Zhang Aiping, Zheng Tianxiang, Yang Yichen, Yang Jingren, Kang Keqing, Yang Chengwu, Chen Zaidao, Lu Zhengcao, Deng Zhaoxiang, and Ma Wenrui, as well as responsible comrades of the PLA General Departments and major units of PLA units stationed in Beijing, and relatives and friends of Comrade Gan Weiha in Beijing, totalling more than 500 people.

The CPC Central Committee, the Central Advisory Commission, the Central Discipline Inspection Commission, the Central Military Commission, the Central Commission for Guiding Party Rectification, the Organization Department of the CPC Central Committee, the Ministry of National Defense, the PLA General Departments, the Discipline Inspection Commission of the Central Military Commission, the Shenyang Military Region, the Chengdu Military Region, and leading organs of Hunan Province and Pingjiang County also sent wreaths.

TIAN JIYUN MEETS RURAL EMPLOYMENT SEMINAR GROUP

OW111938 Beijing XINHUA in English 1908 GMT 11 Apr 86

[Text] Beijing, April 11 (XINHUA) -- Vice-Premier Tian Jiyun met in the Great Hall of the People today with all the representatives of an international seminar on rural employment promotion strategies, which opened here on April 8. Tian briefed them on the development of China's rural economy in the past few years and answered their questions during the meeting. Present on the occasion were Du Runsheng, director of the Research Centre for Rural Development of the State Council, and Zhao Dongwan, minister of labor and personnel. The seminar is being jointly organized by the International Labor office, the State Council's Rural Development Research Center and the Ministry of Labor and Personnel. The participants from 13 countries and 9 international organizations have since April 8 discussed ways of creating employment opportunities for surplus rural workforces. The seminar will end tomorrow.

ZHENG TUOBIN ATTENDS GUANGZHOU FAIR OPENING

OW160022 Beijing XINHUA in English 1908 GMT 15 Apr 86

[Text] Guangzhou, April 15 (XINHUA) -- The annual Guangzhou Spring export commodities fair opened here today with about 20 percent more goods in store for sale compared with those of the last spring fair.

The 59th session of the fair, scheduled to open for 20 days, attracted 4,322 business people from 43 countries and regions on the first day. Among the guests was a Burmese Government trade delegation.

Among the industrial products, new products and designs account for about 15 percent and some are offered by joint venture enterprises a fair official said.

More bartering trade will be conducted during the current session, according to the official.

Apart from export trade, negotiations will be held on import trade, joint venture projects, and labor services, he said.

After the opening ceremony, Zheng Tuobin, Chinese Minister of Foreign Economic Relations and Trade, and officials from the fair and Guangdong Province met a group of noted figures in the business circle of Hong Kong and Macao.

NIE RONGZHEN GREET'S NEW GERONTOLOGY SOCIETY

OW210157 Beijing Domestic Service In Mandarin 1600 GMT 20 Apr 86

[Excerpts] The China Gerontology Society was established in Beijing on 20 April.

In his letter of congratulation to the inaugural meeting, Nie Rongzhen, vice chairman of the Central Military Commission and honorary chairman of the Chinese National Committee on Aging, pointed out: Aging is a rather complicated subject for scientific research, involving a number of branches of learning. Efforts should be made to enable old people in our country to enjoy good health and a long life and, at the same time, to solve the aging problem in the population; arrangements should be made for old people to retire and to have a chance to study and to contribute to society as much as possible in their remaining years, old people should be able to enjoy themselves in their remaining years and, at the same time, solve social and family problems in this regard. It is necessary to study and properly solve all problems concerning the aging.

The China Gerontology Society was established after a 5-day symposium on old age.

The inaugural meeting elected (Mei Yi) president of the China Gerontology Society and Lei Jieqiong, Lu Jiaxi, and Yu Guanghan its honorary presidents.

HUANG HUANG MEETS WITH NON-CPC PERSONNEL IN ANHUI

OW182326 Hefei Anhui Provincial Service in Mandarin 1100 GMT 17 Apr 86

[Excerpts] The Anhui Provincial CPC Committee invited some non-CPC personnel to a meeting at the Daoxianglou Guesthouse on the afternoon of 16 April. At the meeting, the provincial party committee held full consultations with the non-CPC personnel concerning personnel arrangements for the forthcoming meetings of the provincial people's congress and the provincial CPPCC Committee.

Huang Huang, secretary of the Anhui Provincial CPC Committee, presided over the meeting. Lu Rongjing, deputy secretary of the provincial party committee, attended the meeting. Liu Guangcai, a member of the standing committee and director of the organization department of the provincial party committee, briefed the participants on some important personnel questions that are to be discussed at the forthcoming people's congress and CPPCC committee meetings.

The more than 20 non-CPC personnel at the meeting expressed their views one after another in an atmosphere of democracy and enthusiasm.

Comrade Huang Huang spoke last at the meeting. He said: I thank you, members of democratic parties, persons without party affiliation, and responsible persons of mass organizations, for your support of the provincial CPC Committee. From now on, we should maintain contact with each other, cooperate on a long term basis, build Anhui and enhance the excellent situation in the province.

FOURTH SESSION OF ANHUI PEOPLE'S CONGRESS OPENS

OW240615 Hefei Anhui Provincial Service in Mandarin 1100 GMT 21 Apr 86

[Excerpts] The Fourth Session of the Sixth Anhui Provincial People's Congress solemnly opened at Hefei's Jianghuai Theater this morning. Jianghuai Theater was ceremoniously decorated today. A PRC emblem was hung at the center of the rostrum, flanked by 10 red flags.

At 0800 hours, deputies of the provincial people's congress from all walks of life in the province jubilantly entered the hall which was permeated with an atmosphere of unity and democracy. Seated on the rostrum were People's Congress Executive Chairman Huang Huang, Wang Guangyu, Su Yu, Su Hua, Zhang Zuoyin, Wei Xinyi, Xia Deyi, Zheng Rui, Yang Chengzong, Zhao Minxue, Ying Yiquan, Kang Zhijie, Du Weiyu, Zheng Huaizhou, and (Hu Xiangnong). Also seated at the rostrum were other members of the Presidium of the session; Governor Wang Yuzhao and Vice Governors Meng Fulin, Zhang Dawei, (Zhao Min), Yang Jike, Wang Houhong and Song Ming; (Wang Chengle), President of the provincial Higher People's Court; and Feng Jianhua, Chief procurator of the provincial People's Procuratorate. (Huang Yan), (Zhang Kaifan), (Xu Shinong) and other comrades were also present at the rostrum.

At 0830 hours, Wang Guangyu, executive chairman of the session, announced the opening of the session. Governor Wang Yuzhao delivered a report on the work of the government. His report was divided into three parts:

1. The first part contained a review of achievements over the past 5 years.
2. The second part pointed out the basic tasks and the goal for struggle during the Seventh 5-Year Plan period.

3. The third part called for attention toward fulfilling our jobs well in 1986.

In conclusion, he said: We are full of confidence that we will score victories. Workers, peasants, intellectuals, government and party cadres, PLA commanders and fighters, public security cadres and policemen, democratic parties, mass organizations, overseas Chinese, compatriots in Hong Kong and Macao and all the people who cherish the socialist motherland: Let us bring into full play the spirit of the Foolish Old Man in removing the mountains; wage arduous struggles and build the country through diligence and hard work under the leadership of the party Central Committee, the State Council and the Anhui Provincial CPC Committee; fully implement the Seventh 5-Year Plan; and work harder than ever before to accelerate Anhui's economic construction!

HAN PEIXIN ATTENDS JIANGSU CPC MEETING 19 APRIL

OW220421 Nanjing Jiangsu Provincial Service in Mandarin 1100 GMT 19 Apr 86

[Excerpts] On the morning of 19 April, the Jiangsu Provincial CPC Committee and the Standing Committee of the Provincial People's Congress held a meeting in Nanjing's Great Hall of the People to disseminate the guidelines set by the recent Fourth Session of the Sixth National People's Congress. Attending the meeting were more than 3,000 cadres from various provincial-level government and party organs and units.

After transmitting the guidelines, Sun Han, a PRC deputy and deputy secretary of the provincial CPC Committee, pointed out the requirements for study of the guidelines. He said: All party organizations must vigorously popularize the guidelines set by the documents of the Fourth Session of the Sixth National People's Congress and conduct education on the current situation and policy as an important task in ideological and political work. This study campaign is aimed at deepening education on the current situation and policy. All party organizations must attach great importance to study the guidelines, strengthen their leadership and carry out their work well in all respects.

He called for efforts to study the documents by stressing the following five points:

1. Review the achievements scored in the Sixth 5-Year Plan, and fully understand the current situation;
2. Grasp the basic tasks of the Seventh 5-Year Plan and the policy on major construction projects;
3. Give top priority to reforms;
4. Firmly adhere to the principle of simultaneously developing the two types of civilization;
5. Persistently implement the independent foreign policy for peace.

The meeting was presided over by Chu Jiang, chairman of the Standing Committee of the provincial people's congress. Han Peixin, Hong Peilin, Li Zhizhong, Xing Pai, and other leading comrades also attended the meeting.

JIANGSU CITY ATTRACTS MORE FOREIGN INVESTMENT

OW210936 Beijing XINHUA in English 0928 GMT 21 Apr 86

[Text] Nanjing, April 21 (XINHUA) -- Jiangsu province's Lianyungang, one of China's 14 open coastal cities, plans to develop 17 projects involving 30 million U.S. dollars in foreign investment this year, a local official said today. The amount of foreign investment is 18 times that of the total foreign investment over the past six years, according to Wang Qingyun, chairman of the city foreign economic and trade committee.

The city, which used to have poor industrial and foreign investment conditions, has boosted its economy by economic and technical cooperation with 23 provinces, municipalities and autonomous regions, as well as 19 ministries, since it was designated as one of the open coastal cities in 1984. It has focused on improving transport, telecommunications and infrastructure facilities to attract more foreign investment and trade over the past two years.

The improved environment has attracted more than 1,000 business people from 24 countries and regions to come to discuss investment and cooperation here, the chairman said. Businesses using foreign investment in the city have expanded from aquatic production to light industry, textiles, chemicals, machinery, electronics, leather and plastics manufacture and tourist facilities.

JIANGSU: COMMANDER ADDRESSES NANJING PLA MEETING

OW230805 Hangzhou ZHEJIANG RIBAO in Chinese 14 Apr 86 p 1

[Text] The Nanjing Military District's leading group on preparedness against war in the field of transportation held an enlarged meeting on 9 and 10 April in Nanjing. Xiang Shouzhi, commander of the Nanjing Military District, addressed the meeting. He said: Based on the international and domestic situation, the party Central Committee and the Central Military Commission have made a brilliant policy decision on bringing about a strategic change in the guiding ideology for national defense to make military construction projects serve peacetime construction. In doing our work of strengthening preparedness against war in the field of transportation, an important component part of the work of developing national defense, we must reflect this strategic change, correctly handle the relations between national defense and economic construction, vigorously combine efforts in peacetime with those in wartime, follow the principle of benefiting both civilians and armymen, and achieve the following goal: In time of peace our work in this region should serve the national economy and the people's production and livelihood, while in time of war we should be able to meet the needs of war.

The meeting announced personnel changes in the leading group on preparedness against war in the field of transportation under the Nanjing Military District. Deputy Commander Guo Tao of the Nanjing Military District was appointed head of the leading group. Appointed as deputy heads of the leading group were Shanghai Vice Major Ni Tianzeng, Jiangsu Vice Governor Chen Huanyou, Zhejiang Vice Governor Wu Minda, Anhui Vice Governor Zhang Dawei, Fujian Vice Governor You Dexin, Jiangxi Vice Governor Qian Jieming, Nanjing Military District Deputy Chief of Staff Zheng Bingqing, and Nanjing Military District Logistics Department Deputy Director Xia Yucheng.

NANJING OPENS TRAINING CENTER FOR 'GROUP ARMIES'

OW222012 Beijing XINHUA in English 1952 GMT 22 Apr 86

[Text] Nanjing, April 22 (XINHUA) -- A military training center aimed at improving battle co-ordination between different services within the armed forces was opened today in eastern China. A military source, who would not disclose the center's exact location, said it had been designed specifically to meet the needs of China's new "group armies", which had been formed over the last year. These combined different services, for instance, air forces and ground forces, into single fighting units.

The center would organize and co-ordinate maneuvers of group armies using "advanced equipment", including laser devices, according to the source. Equipment there would simulate "complicated battlefield conditions", and the movement, weapons, and "even the psychology" of an imaginary enemy. All China's group armies would be trained in turn at the center, said the source.

The center has been established by Nanjing military area commander under authority from the Central Military Commission and the headquarters of the general staff of the People's Liberation Army.

SHANDONG'S LIANG BUTING RELAYS NPC GUIDELINES

SK210528 Jinan Shandong Provincial Service in Mandarin 2300 GMT 18 Apr 86

[Excerpts] On the morning of 18 April, the provincial CPC Committee and government held a meeting of cadres of the provincial-level organs at Zhenzhuguan to hear a report given by Comrade Li Zhen, leader of the Shandong Provincial Delegation and chairman of the provincial People's Congress, on the guidelines of the Fourth Session of the Sixth NPC and his opinions on implementing the guidelines.

Liang Buting, secretary of the provincial CPC Committee, presided over the meeting and delivered a speech. Responsible comrades of the provincial CPC Committee, the provincial Advisory Commission, the provincial Discipline Inspection Commission, the provincial People's Congress Standing Committee, the provincial government, and the provincial CPPCC Committee, including Li Changan, Lu Maozeng, Yang Yanyin, Zhou Zhenxing, Feng Lizu, Liu Zhongjian, Sai Feng, Wei Jianyi, Yuan Bo, (Xiao Han), Xu Leijian, Gao Fengwu, Zhang Zhusheng, Ma Lianli, Song Yimin, Zhang Jingtao, and Zuo Yicheng, deputy leaders of the provincial delegation to the Fourth Session of the Sixth NPC, responsible persons of the provincial-level departments, commissions, offices, and bureaus, various mass organizations, and colleges and universities in Jinan, and cadres at and above the section level, totaling some 1,500 people.

Comrade Li Zhen introduced the agenda and grand occasion of the Fourth Session of the Sixth NPC.

Comrade Liang Buting gave a speech at the end of the meeting, in which he said: This NPC session was held at a time when the Sixth 5-Year Plan was successfully fulfilled and when the Seventh 5-Year Plan has just begun. It was a grand session for carrying forward the revolutionary cause as well as one for mobilizing the people throughout China to work with one heart and one mind and to struggle for the realization of the Seventh 5-Year Plan. We should conscientiously implement the NPC guidelines in an effort to promote the development of the province's reform and various construction undertakings.

Comrade Liang Buting pointed out: In implementing the NPC guidelines, the most important thing at present is to study the documents well. The leading cadres, in particular, should take the lead in the study, and persist in studying them deeply and thoroughly. Only by doing so can they enhance their understanding, unify their thinking, and mobilize the people throughout the province to implement the various tasks put forward by the congress session. Through study, we should further enhance the people's understanding of reform and make them understand that the key to China's development lies in reform. We should correctly treat the difficulties and determination in reform, unswervingly give top priority to reform, and deeply carry out comprehensive reforms of the economic structure and the scientific and technological and educational structures. Through implementing the congress guidelines, we should promote all current tasks, and consolidate and develop the excellent situation.

SHANGHAI'S RUI XINGWEN AT COMMENDATION MEETING

OW230009 Shanghai City Service in Mandarin 1100 GMT 21 Apr 86

[Text] The Shanghai Municipal Committee for Promoting the Five Stresses, Four Beauties, and Three Loves Activities held a meeting at the Shanghai Exhibition Center this afternoon to name and commend civilized units in the municipality for 1985.

Leading comrades of the municipal party committee, the Standing Committee of the municipal people's congress, the municipal government, and the Municipal CPPCC Committee were present, including Rui Xingwen, Jiang Zemin, Hu Lijiao, Huang Ju, Chen Tiedi, Shi Zhusan, Shu Wen, Ni Tianzeng, and Yang Ke'. Also present were leading comrades of various municipal departments, commissions, and offices as well as PLA units stationed in Shanghai.

Xie Liuan, vice mayor of the municipality and vice chairman of the municipal committee for promoting the Five Stresses, Four Beauties, and Three Loves Activities, presided over the meeting.

At the meeting, certificates and silk banners were presented to 379 organizations named by the municipal government as civilized units.

Huang Ju, deputy secretary of the municipal party committee and chairman of the municipal Committee for Promoting the Five Stresses, Four Beauties, and Three Loves Activities, addressed the meeting.

SHANGHAI: COMPUTERIZED SYSTEM FOR CHINESE DEVELOPED

OW221904 Beijing XINHUA in English 1858 GMT 22 Apr 86

[Text] Shanghai, April 22 (XINHUA) -- While a speaker addressed a meeting here, a computer operator was busy keying his words in the Chinese language into a computer. To the man's surprise, a clean copy of his speech was printed out in Chinese characters as soon as he had finished speaking. The meeting was held at Shanghai Hall of Science on Monday to give the first official demonstration of a new system of computerized printing of Chinese. It has been developed by 12 Shanghai research institutes, factories and academic societies. One of its developers said the system was designed to aid office automation and consisted of a processor, a laser photo-typesetter and a printer. Fourteen different methods can be used to key in Chinese, including the pinyin alphabet and codes which can compile characters. The input English can be translated into Chinese.

The developers say the system enables a worker to process more than 30,000 characters a day. The system's software, Pioneer C, was developed by a group of young scientists in Shanghai.

FIRST OPTICAL FIBER COMMUNICATIONS LINE IN SHANGHAI

HK221550 Beijing ZHONGGUO XINWEN SHE in Chinese 1225 GMT 18 Apr 86

[Text] Shanghai, 18 Apr (ZHONGGUO XINWEN SHE) -- The experimental section of China's first optical-fiber communications line has passed the inspection test and been put into operation after 6 months of trial use in Shanghai. This shows that China's optical fiber communications technology has entered the practical stage in the public communications network.

The section of the communications line, with four core optical cables and 1.8 kilometers in length, is installed between in Haining Road and Sichuan Road branches under the Shanghai Urban Telephone Bureau. It has a total capacity of 120 telephone channels. All the equipment and materials are produced in Shanghai. The communications system has proved after trial use that it features accord with the standards proposed by the International Telecommunications Consultative Conference and that the system functions properly.

It has been reported that Shanghai is now executing a plan to set up a 22.5 kilometer optical fiber communications system. By the year 1990, Shanghai will have an optical fiber communications network of over 100 kilometers. Meanwhile, the programmed electronic switchboard system will be extensively popularized so that the city's communications network will gradually be computerized and the strain on Shanghai's communications will be alleviated.

SHANGHAI TARGETS MAJOR INDUSTRIES FOR EXPANSION

OW212015 Beijing XINHUA in English 1457 GMT 21 Apr 86

[Text] Shanghai, April 21 (XINHUA) -- Shanghai, China's major industrial city, will expand its major industries -- steel, chemiautomobiles, passenger planes, power equipment and electronics production -- in the next five to 10 years to serve the country's modernization drive. Its new target is to achieve an annual production of more than 10 million tons of steel, 450,000 tones of ethylene and 300,000 cars. It will also attempt to manufacture large passenger planes and conventional and nuclear equipment to generate between 600,00 kw and 900,000 kw each year.

The Baoshan steelworks will be able to produce 6.7 million tons of steel by 1990 when its second phase of construction is completed. Its third period of construction will enable the giant complex to produce nearly 10 million tons. By then, together with the current annual capacity of five million tons, Shanghai will surpass the Anshan Iron and Steel Company to become China's largest steel producer.

A construction project for producing 300,000 tons of ethylene yerly has started in southern Shanghai. The Shanghai Volkswagen corporation, a joint venture between China and the Federal Republic of Germany, plans to expand its annual output to 100,000 cars during China's Seventh Five-Year Plan (1986-1990). Its final goal is 300,000 a year. Cooperating with an Amercian firm, the city plans to produce 25 md-82 passenger planes in 1991. The first plane is expected to join China's aviation fleet in autumn next year.

About 160 million yuan will be invested during the next five years in revamping Shanghai's power generator factories. Some 170 hectares of land has been designated for computer, large-scale integrated circuit, laser and other modern technology factories.

GUANGXI: SHANGHAI GROUP ARRIVES FOR ECONOMIC TALKS

HK230151 Nanning Guangxi Regional Service in Mandarin 1100 GMT 22 Apr 86

[Excerpts] A 16-member Shanghai municipal economic, technology, and trade delegation arrived in Nanning by plane yesterday for talks on developing lateral economic and technological cooperation. The delegation is headed by Wu Bangguo, deputy secretary of the municipal CPC Committee, seconded by Dong Jiabang, member of the standing committee of the municipal advisory commission.

In the afternoon, Chen Huiguang, secretary of the regional CPC Committee; Tao Aiyang, deputy secretary; Zhang Chunyuan, vice chairman of the regional government; and Wang Zhuguang, vice chairman of the regional advisory commission, received the Shanghai delegation in the Mingyuan Hotel.

Chen Huiguang said: Although Guangxi has abundant resources, our economy is still backward. Shanghai has actively helped us since the 1950's. Our economy has now developed somewhat, but our resources are far from being exploited. I hope our big brothers from Shanghai will help us more. In the future we will further promote economic and technological cooperation with Shanghai as a contribution to invigorating Guangxi's economy.

HAINAN TO ESTABLISH EXPORT PRODUCTION BASE

HK220047 Beijing ZHONGGUO XINWEN SHE in Chinese 1356 GMT 18 Apr 86

[Report: "Hainan Draws Up Plan for Building Production Base of Export Tropical Farm and Sideline Products"]

[Text] Haikou, 18 Apr (ZHONGGUO XINWEN SHE) -- In order to speed up Hainan's exploitation and construction, the Chinese Government plans to establish a production base of export tropical farm and sideline products in Hainan.

On 17 April, He Kang, minister of agriculture, animal husbandry, and fishery; Zheng Tuobin, minister of foreign economic relations and trade; officials of the Hainan regional government; and over 50 experts held discussions and consultations at the Hainan regional government in Haikou on the items, investment, and operational methods concerning the establishment of the production base.

He Kang said: "The purpose of establishing an export production base is to produce export commodities and earn more foreign exchange, which can benefit both the country and people. Hainan should develop its unique advantages and produce commodities that cannot be produced by other localities within the country, such as black tea, coffee, and pepper. Hainan should also produce some famous brand goods, stabilize its production, and ensure supply. In addition, the quality of products should meet the needs of the international market."

Zheng Tuobin said: "Only by increasing exports and earning more foreign exchange can we speak of opening up." He emphasized that Hainan should develop its advantages. He said that large numbers Chinese who have returned from overseas and scientific workers engaged in tropical crops research are to Hainan's advantage. These advantages are favorable for building the production base that combines production with scientific research, processing, storage, and marketing.

GUIZHOU MEETING STRESSES LATERAL ECONOMIC TIES

HK220131 Guiyang Guizhou Provincial Service in Mandarin 2300 GMT 21 Apr 86

[Text] A provincial urban economic structural reform work conference concluded in Guiyang on 21 April. The meeting summed up the situation and experiences in this work in recent years and clearly understood that the main task in structural reform work this year is to consolidate, digest, replenish, and perfect the reform policies and measures, with the focus on promoting lateral economic ties.

The meeting pointed out: Promoting lateral economic ties is the objective demand of developing a socialist commodity economy. It is an important content of economic structural reform and an important measure for exploiting Guizhou's resources and invigorating the province's economy. The government at all levels and the departments concerned must encourage and develop ties between the advanced areas and principal cities on the one hand and poor areas on the other, between defense and civilian industries, and between large and medium enterprises on the one hand and small enterprises, collective enterprises, and township enterprises on the other.

We must attract capital, technology, and talent from the advanced coastal areas. We must integrate lateral economic ties with readjustment of the product mix and plans for sectoral development. We must organize combines in the fields of production, circulation, and science and technology which span different areas, departments, and ownership systems. The government at all levels and the departments concerned must actively clear the way for enterprises to develop ties, and also do a good job in making all-round arrangements, coordination, service, and supervision.

Leading comrades of the provincial CPC Committee, people's congress standing committee, government, and CPPCC, Hu Jintao, Wang Chaowen, Ding Tingmo, Zhang Yuhuan, Zhang-Shukui, and Miao Chunting attended the meeting.

SICHUAN HOLDS POLITICAL, LEGAL WORK CONFERENCE .

HK221131 Chengdu Sichuan Provincial Service in Mandarin 0030 GMT 21 Apr 86

[Excerpts] A provincial conference on political and legal work was held by the Political and Legal Affairs Commission of the Provincial CPC Committee in Chengdu from 16 to 20 April. The conference conveyed and implemented the spirit of the national conference on political and legal work and in light of our province's realities, studied the strategic problems of strengthening the establishment of the legal system, continuously and severely cracking down on serious crimes and economic crimes, and striving for a continuous and steady turn for the better in social order. It also made arrangements in this regard. The conference was presided over by Bai Shangwa, provincial CPC Committee Standing Committee member and Political and Legal Affairs Commission secretary.

Leading comrades of the provincial CPC Committee and provincial government, including Yang Rudai, Jiang Minkuan, and Xu Chuan, attended the conference and spoke. Attending this conference were responsible comrades of all city, prefectural, and autonomous prefectural CPC committees who are in charge of political and legal work; responsible comrades of all city, prefectural, autonomous prefectural, county, and district political and legal affairs commissions, courts, procuratorates, public security bureaus and departments, and judicial bureaus; responsible comrades of the political and legal affairs and public security departments of the railroads, banks, petroleum, forestry, and communications systems; responsible comrades of the political and legal colleges and schools; and responsible comrades of the political and legal affairs departments and other departments concerned at the provincial level, totaling some 1,300 people.

The conference held that it is necessary to step up severely cracking down on serious criminals. In the course of the struggle, in light of the new situation in the new period, we must especially crack down on [words indistinct] and adhere to the principle of quickly meting out severe punishments and striking blows surely, accurately, and relentlessly. We must resolutely stop and ban those corrupt and evil phenomena which seriously jeopardize the general mood of society.

The conference emphatically pointed out that while continuously and persistently cracking down on serious crimes, we must severely strike at serious economic crimes. We must stamp out economic criminals' arrogance.

The conference also pointed out that it is imperative to completely carry out all measures for comprehensively tidying up social order so that a new breakthrough and great progress in the work of comprehensively tidying up social order can be made. We must improve and strengthen the work of reform through labor and the work of re-education through labor and work hard to improve the quality of reform. We must continuously persist in popularizing elementary legal knowledge among the whole people. We must further strengthen the building of the political and legal affairs ranks and strive to improve their political and professional quality.

SICHUAN COMMENTARY VIEWS IMPROVING SOCIAL ORDER

HK221135 Chengdu Sichuan Provincial Service in Mandarin 0030 GMT 21 Apr 86

[Station commentary: "It is Necessary To Arouse Enthusiasm and Achieve a Steady Turn for the Better in Social Order"]

[Excerpts] In accordance with the strategic guiding ideology on the necessity of grasping construction in one hand and the law in the other hand in the four modernizations, the provincial conference on political and legal work recently held in our province seriously analyzed the current situation in social order and studied the problems of how to persist in the dictatorship of people's democracy in the new situation, how to promote the steady improvement of social order, how to consolidate the political situation of stability and unity, and how to serve economic reform, opening up, invigoration, and social material and spiritual civilization.

Practice has proved that seriously cracking down on criminals is very necessary. However, even with marked improvement, we must by no means relax our efforts. CPC committees at all levels must strengthen leadership over political and legal work, and, in coordination with all fronts, make concerted efforts to do all aspects of work still better and further promote the building of socialist democracy and the legal system. It is imperative to unswervingly persist in the dictatorship of people's democracy, to severely crack down on crimes and economic crimes, and to resolutely ban and stop all corrupt and evil phenomena which jeopardize the general mood of society.

The comrades on the political and legal front must continue to carry forward their achievements, arouse their enthusiasm, and with practical actions, and make concerted efforts to make new contributions toward achieving a steady turn for the better in social order.

POLITICAL-LEGAL WORK CONFERENCE OPENS IN LHASA

HK190728 Lhasa Xizang Regional Service in Mandarin 1130 GMT 18 Apr 86

[Text] A regional political and legal work conference opened in Lhasa on 18 April. Under the guidance of Comrade Deng Xiaoping's recent speech and speeches by Comrade Peng Zhen and other central leading comrades at the national political and legal work conference, the conference reviewed public order in the region; discussed and studied the need to hit hard at criminal and serious economic criminal activities, strengthen reform-through-labor work, and build political and legal personnel; and made concrete arrangements for this year's political and legal work.

This morning's meeting was presided over by Zi Cheng, president of the regional people's higher court and deputy secretary of the regional political and legal affairs committee. Gyanincain Norbu, deputy secretary of the regional CPC Committee and secretary of the regional political and legal affairs committee, conveyed the spirit of the national political and legal work conference. Cao Xu, vice chairman of the regional people's congress standing committee, also attended the meeting. Nearly 200 other people, including responsible comrades from public security, procuratorial, court, judicial departments of all prefectures and cities, responsible comrades in charge of political and legal work of all prefectures, and representatives from the region's civil administration departments, regional armed police general detachment, and the Xizang Military District also attended.

LHASA CITY ADOPTS MEASURES TO CORRECT PARTY STYLE

HK180630 Lhasa Xizang Regional Service in Mandarin 1130 GMT 16 Apr 86

[Excerpts] On the afternoon of 15 April, the Lhasa City CPC Committee and the city leading group for correcting party style held a meeting of city organs on correcting party style, in which they further arranged such work in the city. Yang Youcai, city CPC Committee secretary, spoke at the meeting. Comrade Yang Youcai made specific proposals for correcting party style in the next stage.

1. Leading organs and cadres must set a good example in correcting party style.
2. Resolutely correct malpractices and seriously investigate and deal with major and important cases.
3. Strengthen education in party spirit and upgrade the political quality of party members.
4. Enforce party discipline and perfect inner-party democratic life.

Comrade Yang Youcai expressed the hope that party members and cadres in the city will immediately take action, pay attention to party building, and correct party style by first dealing with their own malpractices and those of people around them, so as to bring about a situation in which the whole party grasps improvement of party style.

Dangzin, deputy secretary of the regional CPC Committee, attended the meeting and spoke.

More than 1,000 party members from organs, enterprises, and institutions directly under the city authorities attended the meeting.

BELJING TO CHECK UNHEALTHY SALES PRACTICES

OW232323 Beijing XINHUA Domestic Service in Chinese 1134 GMT 23 Apr 86

[By reporter Yan Zhenguo]

[Text] Beijing, 23 Apr (XINHUA) -- Chen Xitong, mayor of Beijing Municipality, today called a meeting of heads of districts in the urban area and on its outskirts and proposed that the capital take the lead in resolutely checking the unhealthy practice of forcibly selling unsalable commodities together with readily marketable items. The current situation must be changed, and results should be seen in checking this unhealthy practice within a week, he urged.

Chen Xitong said: Forcibly selling one commodity together with another commodity is an unhealthy practice that has not yet disappeared despite our longtime efforts to try to ban it. In not only harms the consumers' interests and affects the prestige of our socialist commerce, but also hampers the producers from developing good products to replace bad ones and the businessmen from improving their managerial style. He called on district heads to personally assume responsibility for this work. If no effective steps are taken to correct this unhealthy practice, he said, the concerned leader should be investigated to determine his responsibility. Chen Xitong also stressed that the masses should be mobilized to supervise the work in this regard, and both the municipal and district authorities should publicize telephone numbers for the masses to use to report such unhealthy practices. Moreover, the competent authorities should assign personnel to conduct thorough investigations, and if any case of forcibly selling one commodity together with another commodity is still found, it should be dealt with seriously, he added.

NEI MONGGOL 16TH STANDING COMMITTEE MEETING ENDS

SK230756 Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 22 Apr 86

[Text] The 16th Standing Committee meeting of the 6th Autonomous Regional People's Congress concluded on the morning of April 22. At the meeting, it was decided that the Fourth Session of the Sixth Autonomous Regional People's Congress will be held in Hohhot City on 30 April this year.

Batubagen, chairman of the regional People's Congress Standing Committee, presided over the meeting at which members held earnest discussions of and examined various issues amid the full democratic atmosphere created at the meeting.

The meeting unanimously approved the draft agenda of the fourth congress session and decided to submit this draft agenda for approval to the preparatory meeting for the fourth session. The major items of this draft agenda chiefly are to hear and discuss the report given by Bu He, chairman of the regional People's Government, with regard to the draft Seventh 5-Year Plan for the national economy and social development; to discuss and approve the regional Seventh 5-Year Plan; to hear and discuss the report given by the regional People's Government with regard to the implementation of the 1985 plan for the national economy and social development and the 1986 draft plan in this regard; to examine and approve the report; to hear and discuss the report given by the regional People's Government with regard to the 1985 final accounts and the 1986 draft budget; and to examine and approve the accounts and budget.

The 22 April morning session of the meeting also strictly approved the draft namelist for the presidium and secretary general of the upcoming fourth session. The meeting decided to submit this draft namelist at the preparatory meeting for the fourth congress session for election and also approved the report given by the credentials committee with regard to the qualification examination of supplementary deputies. The meeting also discussed the draft work report of the People's Congress Standing Committee and approved the report in principle. The work report that should be revised will be delivered by Chairman Batubagen on behalf of the regional People's Congress Standing Committee at the fourth congress session and will be submitted to the session for approval. The meeting also approved the draft namelist for the executive members and executive chairmen of the session's presidium and for the deputy secretaries general of the session and decided to submit the draft namelist to the session's presidium for election.

Attending the meeting were vice chairmen of the regional People's Congress Standing Committee, including Hao Xiushan, Zhou Beifeng, He Yao, Seyinbayar, Chao Luomeng, and Butegequi.

Attending the meeting as observers were Ma Zhenduo, vice chairmen of the regional People's Government; Wang Linzhong, chief procurator of the regional People's Procuratorate; (Yeqidaorji), vice president of the regional Higher People's Court; and Zhou Junqiu, secretary general of the regional People's Government.

TIANJIN'S NI ZHIFU VISITS WITH CPC PARTICIPANTS

SK230217 Tianjin City Service in Mandarin 1430 GMT 22 Apr 86

[Text] The fifth meeting of the north and northeast China group of the Advisory Commission of the CPC Central Committee was held in Tianjin from 16 to 22 April. Attending the meeting were members of the Central Advisory Commission, including Huo Shilian, Luo Guibo, Ting Mao, Guo Feng, Song Li, and Yan Dakai. Participants to the meeting studied Premier Zhao Ziyang's report on the Seventh 5-Year Plan, and held discussions on the guiding ideology of the plan, the urban and rural reform, and the rectification of party style. They also toured Tianjin.

During the meeting, Lu Zhengcao, vice chairman of the National CPPCC Committee, and Ni Zhifu and Li Ruihuan, party and government leaders of Tianjin, visited the participants, and held cordial talks with them.

TIANJIN PEOPLE'S CONGRESS SESSION OPENS 22 APRIL

SK230228 Tianjin City Service in Mandarin 1430 GMT 22 Apr 86

[Text] The 5th Session of the 10th Tianjin Municipal People's Congress opened at the cadres club this morning. At the opening ceremony, Mayor Li Ruihuan gave a government work report entitled "Sum Up Experiences, Advance on the Crest of Victory, and Strive To Comprehensively Fulfill the Seventh 5-Year Plan" to the deputies of the 7 million Tianjin people. This report is composed of three parts: a review of the Sixth 5-Year Plan period; an explanation on the Seventh 5-Year Plan; and some opinions of this year's work. Executive chairmen of the opening ceremony were Ni Zhifu, Wu Zhen, Zhang Zaiwang, Bai Hua, Li Zhongyuan, Zhao Jun, Liu Zengkun, Xu Ming, Yang Jianbai, Fan Quan, Han Tianyao, Yu Fujing, Shi Jian, Huang Difei, and Lan Baojin.

All the members of the Fifth Session of the Seventh Municipal CPPCC Committee attended as observers. Those seated on the rostrum included responsible persons of the municipal CPC Committee, Advisory Commission, government, CPPCC Committee, Higher People's Court, and People's Procuratorate, and some veteran comrades.

QINGHAI SECURITY OFFICIAL DISCUSSES PUBLIC ORDER

HK230242 Xining Qinghai Provincial Service in Mandarin 2330 GMT 19 Apr 86

[Text] A reporter from this station interviewed Comrade (Hu Changming), deputy director of the Provincial Public Security Department, on the problems of our province's current social order. He was asked to answer questions posed by the reporter.

The reporter first asked Comrade (Hu Changming) to talk about the current social order situation in our province.

The reporter said: Since our province began cracking down on serious crimes, its social order has improved markedly. The number of criminal cases in 1985 was 26.8 percent less than in 1983. The number of criminal cases which seriously jeopardize social order, including crimes committed by gangs waiting somewhere to rob people or to rape women, assault and battery and inflicting injury on people in public places, has dropped greatly and urban and rural social order has been relatively stable. The masses' enthusiasm for upholding social order and for struggling against criminals has been aroused.

Comrade (Hu Changming) said: Although social order in our province has markedly improved, the situation is not very steady. Some new problems have emerged. The main problem is that the number of criminal cases, particularly the case of theft, is relatively large. Heinous cases of murder, robbery, and inflicting injury on people have occurred often. The number of social order cases has risen relatively greatly. The conspicuous ones are the cases of assault and battery and theft of small amounts of money and goods. In addition, the number of juvenile delinquents is relatively large.

In dealing with the cases [words indistinct], Comrade (Hu Changming) said: Apart from [words indistinct], public security organs have not cracked down on some criminals vigorously enough and measures for comprehensively tidying up social order have not been carried out thoroughly enough by some units and places. This is a very important reason.

The reporter then asked Comrade (Hu Changming) to talk about the plan and measures for tidying up social order.

Comrade (Hu Changming) said: Some problems exist in current social order. However, we have advantageous conditions for realizing a further steadiness of, and turn for the better, in social order. The main work which the public security organs should do in future is:

1. They must unswervingly implement the principle of quickly meting out severe punishment in accordance with the law. They must crack down resolutely on serious thieves, murderers, rapists and robbers; serious economic criminals; criminal gangs of hooligans; criminals who injure people with knives, very seriously disturb social peace, and jeopardize the safety of people's lives and property; and criminals and organizations who make, peddle, and show obscene video tapes. [sentence indistinct] Those criminals who should be sentenced to reeducation through labor must be so sentenced. Their punishments must not be reduced. [sentence indistinct] We must organize forces to vigorously strengthen the investigation and cracking of theft cases and vehemently crack down on criminals [words indistinct].

2. It is necessary to strengthen the management of social order; to uphold social order in public places; to promptly discover and stop cases of drunkenness and creating disturbances, assault and battery, stabbing people with knives, and gambling, and to protect the masses' safety.

3. It is essential to carry out all measures to comprehensively tidy up social order.

XINJIANG CADRE MEETINGS CONVEY NPC SESSION SPIRIT

HK200117 Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 19 Apr 86

[Excerpts] The regional CPC Committee and People's Congress Standing Committee held a gathering of 3,000 cadres in the People's Hall this morning to convey the spirit of the Fourth Session of the Sixth NPC. Present were Wang Enmao, vice chairman of the CPPCC and chairman of the regional advisory commission; and responsible comrades of the party, government, and CPPCC in the region and the product and construction corps, Song Hanliang, Tomur Dawamat, Janabil, Amudong Niyazi, Zhang Sixue, Shi Gent, Yang Yiqing, [word indistinct] Yashengnuofu, and Chen Shi.

Tomur Dawamat, deputy secretary of the regional CPC Committee and chairman of the regional government, presided. Amudong Niyazi, deputy secretary of the regional CPC Committee and chairman of the regional People's Congress Standing Committee, convened the main guidelines of the NPC session. Song Hanliang, secretary of the regional CPC Committee, spoke on how to convey and implement the spirit of the session.

Song Hanliang said: We must first understand the great significance of the fourth session of the sixth NPC. This session was held at an important moment when the people of our country have victoriously fulfilled the Sixth 5-Year Plan for national economic and social development and are starting the Seventh 5-Year Plan. It was an extremely important meeting.

He said: We must organize the cadres, staff, and workers of all nationalities to seriously study the main documents of the session, with the focus on Premier Zhao Ziyang's report and the Seventh 5-Year Plan. Leaders at all levels must take the lead in studying these two documents.

The Xinjiang Military District held a report meeting today to convey the spirit of the NPC session. Over 3,000 persons were present. Zhang Defu, an NPC delegate and deputy commander of the military district, conveyed the spirit of the session. Tang Guangcai and other leading comrades were also present.

BRIEFS

SHAANXI MACHINE-BUILDING INDUSTRY -- The gross machine-building industrial output value of Shaanxi Province in the first quarter of this year was 465.08 million yuan, or 8 percent more than in the same period last year. The output value of the large and medium-sized machine-building industrial enterprises accounted for over 70 percent of the gross output value. [Summary] [Xian Shaanxi Provincial Service in Mandarin 0030 GMT 21 Apr 86 HK]

SHAANXI RURAL SPECIALIZED HOUSEHOLDS -- Rural specialized households and new economic combines of Shaanxi Province have developed quickly. The whole province now has 177,000 specialized households and their total income has reached 820 million yuan. They are 90 percent and 170 percent, respectively, more than in 1984. The province now has 10,075 new economic combines and their gross income has reached 371 million yuan. The number of economic combines is 88.9 percent more than in 1984. [Summary] [Xian Shaanxi Provincial Service in Mandarin 0030 GMT 21 Apr 86 HK]

PRESIDENT RECEIVES PACEMAKER IN SUCCESSFUL OPERATION

HK241058 Hong Kong AFP in English 1039 GMT 24 Apr 86

[Text] Taipei, April 24 (AFP) -- Taiwan's 76-year-old President Chiang Ching-kuo has been given a pacemaker in a successful operation, the government said Thursday. The Government Information Office (GIO) said Veterans General Hospital doctors discovered cardiac arrhythmia, or irregular heartbeats, in the president early last week and implanted the pacemaker Friday. The one-hour operation, conducted by C.W. Kong, chief surgeon of the intensive care unit, was successful, the GIO said. The president was discharged from the hospital Monday and has resumed normal working and daily activities, GIO said. He met Paraguayan Foreign Minister Carlos Augusto Saldivar Thursday after Mr. Saldivar signed an extradition treaty with Taiwan.

The president, who is known to have been suffering from diabetes, was reported by doctors to be in good health after a thorough medical checkup in early March. But he was advised not to put too much weight on his left foot because of chronic neuritis caused by diabetes. He had a cataract removed from his right eye last August and has regained normal eyesight.

TAIWAN OFFICIAL URGES JAPANESE INVESTMENT INCENTIVE

OW240323 Taipei CNA in English 0236 GMT 24 Apr 86

[Text] Taipei, April 23 (CNA) -- A ranking official with the Ministry of Economic Affairs [MOEA] urged the Government Wednesday to attract Japanese investments to the Republic of China [ROC], taking advantage of the continued appreciation of the Japanese yen against the U.S. dollar.

Wu Hui-jan, deputy director of the MOEA's Industrial Development Bureau, suggested that the government map out a short-term strategy to offer incentives for investments from Japan. This will serve the dual purposes of expanding the ROC's exports throughout the world and narrowing the huge trade gap between the two countries.

He opined that the incentives might include an import tariff exemption or reduction on machinery equipment, even used items, brought into this country by Japanese businessmen if half of their products manufactured here were re-exported back home. Wu noted that many medium-sized Japanese manufacturers are struggling to avoid going bankrupt because of the continued drastic slide of the U.S. dollar against the Japanese yen. "We should try to win them over to this country," he said.

According to the IDB [as received] deputy chief, South Korea is likely to attract some of the struggling Japanese manufacturers if we don't take actions soon enough. And they, in turn, would probably become strong competitors against ROC exporters in the future, Wu added. He also appealed to domestic businessmen to actively expand their export markets by taking advantage of the sharp decline of the U.S. dollar's value against the Japanese yen, which has drastically reduced the competitiveness of Japanese products in international markets.

HONG KONG PAPER ANALYZES BASIC LAW SESSION RESULTS

HK230727 Hong Kong SOUTH CHINA MORNING POST in English 23 Apr 86 p 16

["Analysis" by K.C. Tsang]

[Text] There are lessons to be learned by both sides from the meetings of the Basic Law Drafting Committee (BLDC), which concluded its second session yesterday. The first BLDC was held in July to go over the fundamentals of setting up the work on drafting the Basic Law for Hong Kong after 1997. But the latest session was the first time Hong Kong members of the BLDC went into earnest -- and often heated -- discussion on crucial issues. To mainland members, this was the first time they had encountered the working style of Hong Kong people. While mainland members may have been shocked by the aggressive attitude of certain Hong Kong members, they probably also admired their no-punches-pulled attitude in presenting cases. Mr. Martin Lee's persistent and vociferous demand for a provision to delineate the relationship between Basic Law and the Chinese Constitution seemed impressive. He and his like-minded colleagues finally got what they wanted.

It is not surprising that on this, and other issues concerning the exercise of "additional powers and duties" not specified in the Basic Law, they also got support from their mainland colleagues. Members from both sides were forthright in presenting their cases, and pretty soon, they will adapt to each other's style. Heated arguments should be expected anyway on an issue of such significance, and rubber-stamping will do nobody any good.

The draft structure will provide a workable document in the months ahead, although further changes may still be needed as the drafting exercise gets down to detail. The inclusion of a provision in chapter nine on the relationship between the Basic Law and the Constitution -- subject to the final wording being worked out -- will form the cornerstone of the constitutional link between the SAR [Special Administrative Region] and China. Effectively, it is designed to exempt the SAR from the application of socialist policies by means of constitutional stipulations. This should comply with the "general principles" provisions of allowing the SAR to continue for 50 years with a capitalist system with a "high degree of autonomy."

What remains to be seen is whether the National People's Congress (NPC) will exercise its power to interpret Article 31 so that inappropriate provisions in the Constitution will not be applied to the SAR after 1997. One suggestion is that such an interpretation may be incorporated in both an appendix of the Constitution and the preamble of the Basic Law. The constitutional link will be incorporated into the chapter dealing with the relationship between the central government and the SAR. The provision that the SAR will be "under the direct authority of the central people's government" -- a description carried in the Sino-British Joint Declaration -- will be in line with China's political system, in which central power is supreme.

Theoretically, this may contradict the provision that the SAR exercises a high degree of autonomy on the authority of the National People's Congress (NPC). Some arrangement will have to be worked out after the SAR comes into existence, as both the NPC and the State Council are -- unlike the American system of separation of executive and legislative powers -- integral parts of the central people's government. In actual terms, the "high degree of autonomy" is being protected by the various provisions in chapter two safeguarding the exercise of executive, legislative and independent judiciary powers by the SAR.

The argument over the exercise of residual powers has achieved concrete results. As a compromise, the NPC and the State Council "will authorise the SAR to exercise other duties and powers" other than those stipulated in the Basic Law. This arrangement has avoided the term "residual powers" and also carries a safeguard to alleviate China's fear of having its sovereign rights eroded. Another significant achievement are the provisions allowing for the continued use of common law and observance of the Basic Law and laws of the SAR. Once arrangements to exempt the SAR from various provisions of the Constitution are implemented, Hong Kong residents of the SAR will then continue to be covered by a jurisdiction that has been in existence in the territory all along.

KUANG CHIAO CHING ASSESSES WANG MENG APPOINTMENT

HK230804 Hong Kong KUANG CHIAO CHING in Chinese No 163, 16 Apr 86 pp 24, 25

[Article by Lu Wen [6424 3080]: "The Ins and Outs of Wang Meng's Appointment as Minister of Culture"]

[Text] Despite repeated personal denials, Wang Meng has just been appointed minister of culture. This is now an undeniable fact.

Wang Meng was asked whether he would become culture minister when attending the International PEN's [International Poets, Playwrights, Editors, Essayists, Novelists] 48th session in New York City in January 1986, as reported by a Hong Kong journal not long ago. "Never! It's sheer fiction!" And that was the definite answer Wang Meng gave. In less than 3 months, what Wang Meng asserted as "never" has come true. Could it be that the famous Chinese writer was telling a lie in January? No! A changed situation accounts for it.

A Dangerous "Mined Zone" Nobody Would Enter

Former Culture Minister Zhu Muzhi is well advanced in age and could long ago have retired from office. He was dropped from the CPC Central Committee during the mass CPC top echelon shakeup in September 1985, but maintained his government post as a minister of culture, simple because difficulties existed in determining his successor.

China is such a vast country, with so much talent, that many eligible people would qualify for the office of culture minister. However, even when China has engaged in economic reforms for quite a few years, Deng Xiaoping disclosed in a U.S. weekly TIME interview last year that it remained a disputable issue. Culture and art has always been a most sensitive realm in China. So, it is not strange that different views exist on literature and art principles under the new situation of reforms and opening up to the world both in the CPC top echelon and the literature and art circles. Therefore, regarding the selection of a new minister culture, opinions differed, and it was very difficult to reach unanimity. It is said several candidates were thus negated.

Not that a possible candidate did not exist who would be generally accepted by all sides, but many people believed that the literature and art realm is all too complicated. A culture minister focuses on contradictions, with the danger so great that it is like stepping into a "mined zone," to be blasted up sooner or later. Therefore, those who were nominated would unanimously turn the job down.

Scared Nominee "Sweating All Over"

Since September 1985, Beijing's relevant responsible department had been actively looking for candidates to replace Zhu Muzhi, according to sources the author learned when he was in Beijing. Several celebrities in the cultural circles had been selected for appointment to the office of culture minister, including Wang Meng and another writer. It was said that included in the list was also Yu Shizhi, the famous actor who has played the role of Wang Lifa in "The Tea House." They were all sent for to solicit their opinions. Wang Meng did "try to seize all possible chances to express his unwillingness to become minister of culture," just as he told an AP reporter in late 1985. The others assumed the same attitude; none would accept the job.

Later, several personalities on ministerial posts from other than the literature and art circles were sought. Likewise, none would take the job. "I was so scared that I was sweating all over," a nominee told one of his friends about his personal experience when sent and asked whether he would take the job of culture minister.

News once spread that an army writer named Xu had already been selected for the post of culture minister, and that he had agreed to take it. It was likely that under such circumstances, Wang Meng made such a definite answer as "never" to his becoming culture minister.

For unknown reasons, the proposal for the army writer to become culture minister was shelved later on. So Gao Zhanxiang, Hebei Provincial CPC Committee deputy secretary, was sought. Gao was originally a writer of worker origin, having written many poems and essays. Gao was promoted to high office in charge of culture and education when Gao Yang was Hebei Provincial CPC Committee secretary. Gao Zhanxiang has been rather enthusiastic about promoting popular literature and art. It was said that after repeated consideration, Gao pleaded that at best he could only take up the office of vice culture minister, on the grounds of his comparatively young age, low level, and lack of experience, and that the office of culture minister was quite beyond him. The several vice culture ministers would be replaced anyway; both Zhou Weichi and Lu Zhixian have shot the step of their retirement age. Thus, Gao Zhanxiang was appointed vice culture minister.

Then news spread from Beijing that Gao Di, Jilin Provincial CPC Committee secretary, was also transferred to the Ministry of Culture to become one of its vice ministers. However, at the current NPC, he still appeared as Jilin Provincial CPC Committee secretary. Perhaps it was because the order of appointment had not been made public, and his old official title was maintained.

The NPC was scheduled to convene in late March. Therefore, replacement of government leaders at the ministerial level had to be promptly arranged. Thus, in early March, Beijing's top official echelon hammered out the appointment of the culture minister. That was how Wang Meng came into office despite his personal dread.

When Deng Youmei was pressed for verification whether Wang Meng was appointed culture minister by Hong Kong reporters during the NPC session, he made a most meaningful remark: "Thank God the disaster has not fallen on me!" It is up to Wang Meng to answer the question of whether it is "disastrous" or lucky to have become culture minister.

Disputes Stemmed From Removing the Movie Industry From the Administration of the Ministry of Culture

The Ministry of Culture in Wang Meng's charge is greatly reduced in its sphere of work, compared with the ministry in the past. This is because the movie industry is now under the administration of the Ministry of Radio and Television.

Purportedly the movie industry has a contingent of half a million of workers and staff, including the production, circulation, and projection sectors. At the same time, the movie industry is rather complicated because it involves problems concerning literature and art creation as well as production techniques.

According to friends in Beijing, Ai Zhisheng, minister of radio and television, was greatly strained when he learned about the expansion of the ministry and its change into the Ministry of Radio, Movies, and Television. He pointed out that the number of workers and staff of the national radio and television system was already close to 300,000; it would be 800,000 when half a million workers and staff of the movie industry were merged into the system. That would be quite beyond him. Therefore, he held a different view on the merger. When the above finally hammered out the decision, he had to carry it out, but he required a vice culture minister in charge of the movie industry be transferred from the Ministry of Culture. And that was now Ding Qiao was appointed vice minister of radio, movies, and television.

It is learned that Ding Qiao is over 60 years of age, and Xie Wenqing, the original vice minister of radio and television, is 64 this year. Both of them have shot the roof of retirement age for vice ministerial posts. Therefore, it is forecast that the recently appointed leading body at the ministerial level of the Ministry of Radio, Movies and Television is a transitional one, and changes will eventually take place in the near future.

When in Beijing, the author heard about two diametrically opposed views concerning the change in the responsible department of the movie industry. Some believed that as a result of the rise of television plays, it would be favorable for overall arrangement, reducing contradictions, and promoting economic results if both the movie and television industries came under the administration of the same ministry. Others though otherwise, believing it inappropriate to have the movie industry separate from the Ministry of Culture, since the movie industry is an important component part of cultural undertakings. Which view is correct remains to be proved in the future.

He Jingzhi Remains Deputy Director of the CPC Central Committee Propaganda Department

News spreads that reshuffling has also been made in the top echelon of CPC Central Committee Propaganda Department, which is responsible for ideological work. Yu Wen and Wang Weide, the two deputy directors, have retired because they have reached the ceiling of retirement age, and two cadres at bureau level have been promoted to become their successors. Prior to this, Wang Daming, former Beijing Municipal CPC Committee Propaganda Department director, had been appointed deputy director of the Central Committee Propaganda Department. Li Yan, a recently appointed deputy director, was promoted from the Central Committee Propaganda Department. Teng Teng, originally deputy director of Tsinghua University, who was appointed deputy director of the State Scientific and Technological Commission a few years ago, has now been appointed deputy director of the CPC Central Committee Propaganda Department. This may signify that the Propaganda Department will strengthen its leadership in the science and technology circles. He Jingzhi, who has been most discussed among personalities abroad, maintains his office. It is learned that he has long age shot the roof for retirement age; moreover, he has long been suffering from an illness and has not been taking up any practical work. He Jingzhi will probably retire when an appropriate successor for him is found.

PRC STRUGGLE FOR LAW AND ORDER CONSIDERED

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[By K.C. Tsang]

[Text] Legal experts in China are still fighting an uphill battle in the current campaign to impose the rule of law in the country -- as against the rule of individual officials through administrative decisions and abuse of power. One crucial point still being pondered by cadres at various levels is whether all parts of the Government machinery, including the judiciary and legal prosecutions, should be subordinate to the party. Such reasoning suggests that party rule, as set out in the Chinese Constitution, is above everything and thus on disciplinary matters, party discipline has all along superseded judicial procedure in both civil and criminal cases. The same applies to the administration of state affairs, where party decisions take precedence over everything else, including decisions at the highest level of Government.

The party reigns supreme in absolute terms especially in times of political turmoil, such as during the Cultural Revolution. At all levels during that period, party committees permeated the government structure and no administrative decision could be made without the party's hallmark. For a Government which is controlled by the party, this may sound logical, but the serious consequences of its application in judiciary matters have been overlooked until recently. The absence of a sound judiciary system and an effective prosecution arm has practically turned China into a state without law or into a situation where law only exists on the statute books. It therefore followed that provisions of the constitution existed in work only and were trampled underfoot by powerful party officials. One example is unlawful detention, which was recently found to be quite prevalent under some cadres and legal authorities.

The Chinese Government is making every effort now to rectify the situation by gradually installing a legal system which should reduce the importance of personal connections and politics to the minimum. A legal system is taking shape slowly and in a form unique to the Chinese situation, to govern both criminal and civil cases. Such a system will, by degrees, lessen the effect of the fundamental socialist principle of the dictatorship of the proletariat, which lays emphasis on the original social and economic background of an individual facing a charge. The emphasis on the background of the individual explains the situation whereby prosecution was often difficult when it involved children of senior veteran cadres and those of good [preceding word published in italics] backgrounds arising from their participation in the Chinese revolution that brought the Communist Party to power in 1949. Such a phenomenon is likely to be reduced if the principle that all are equal before the law is applied to the letter.

However, numerous cases unearthed in recent months suggest that the concept of the rule of law has yet to sink in with many cadres, resulting in repeated emphasis by Chinese leaders on the need to adhere to the law of the state and stern warnings of penalties for offenders. To further emphasise the point, the chairman of the National People's Congress, Mr Peng Zhen, made it abundantly clear last week that the party and its members must all work within the confines of the Constitution and the law of the state. And party discipline must not supersede the law. Those who have committed offences against the law must be dealt with by the law and disciplinary actions against them would be treated separately.

But the absence, yet, of a fully-fledged independent judiciary and the presence of a prosecution arm that is over-influenced by personal relations will in the end obstruct the course of justice. There are glaring holes in the administration of justice, as can be seen from a number of cases where the type of treatment meted out depends very much on the individuals involved. The trial of the radical leaders known as the gang of four in late 1980 gave the impression of a political show trial for the whole world to see, despite an abundant display of "evidence of crimes committed." Observers noted that the trial of a Hong Kong man in Shenzhen for alleged swindling early this year and that of an American over a fire in a Heilongjiang hotel last year reflected different treatment for people who were not residents of the country. Priority treatment is also given to Hong Kong and overseas people who are involved in claims to recover property seized from them during the Cultural Revolution. Here administrative orders have often supplanted the judiciary process. Only in a very few cases were the disputes settled in the courts.

To tidy up the situation, one aspect of the work of the Chinese central Government during the next few years will be to strengthen the judiciary machinery on the one hand and to establish a new economic system through reforms on the other. This was decided at the current session of the National People's Congress. The idea is to make the legal machinery serve economic activities, regardless of whether these activities involve an organisation or an individual. A series of economic laws, however strewn with loopholes and the recent introduction of a draft civil code are some of the measures towards the same end. A healthy legal system is not only indispensable in achieving a fair administration of justice in criminal cases, whose numbers are growing. It is also needed to protect private property and other civil rights.

The latest draft civil code, which borrows a number of features from Western as well as Russian and East European practices, purports to provide protection of civil rights. One Chinese legal expert said that under the code, "civil acts should proceed on the principle of voluntary participation, impartiality, honesty and credibility." The act carries provision for safeguarding such features as the equal status and rights of all people involved in disputes and the property rights of the state, the collectives and the individual.

The months ahead are likely to see more economic and other laws as the number of civil or "economic" cases increases. According to official figures, the number of disputes of an economic or financial nature stood at 220,000 last year, compared to practically none in 1979 when the country adopted an open policy. Most of these involved contractual obligations, labour relations, property, and copyright. However, the greatest test of China's administration of justice still lies in criminal cases, particularly those involving party officials in senior positions in the government. Here the prosecution arm poses the greatest problem. Influences arising from personal relations have yet to be cut off and these are by far the greatest obstacles to a rigorous enforcement of the law, as cases over the past few months have shown. A major task the prosecution branch would have to undertake in building a workable legal system is to scrap the different standards applied in cases of party and non-party members. As practically all higher-ranking government officials are party members, the concept of the separate administration of party discipline and law must be driven home to all who have hitherto been used to penalties arising from disciplinary actions, not legal actions.

At a meeting of the NPC this week, the head of China's highest procuratorate, Mr Yang Yichen, called on prosecution units at all levels to strive to "strictly enforce the law, hit hard, break the relations complex and all protective covers." He charged that "quite a number of cadres" simply trampled on the law by means of their power and in the name of "protecting the incentives of cadres."

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